

SENATE—Tuesday, July 20, 1993

(Legislative day of Wednesday, June 30, 1993)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore [Mr. MATHEWS].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Almighty God, Father of us all, with grave concern we intercede for all who are victims of the unprecedented catastrophe in the Midwest. We hardly know how to pray, for we cannot identify with the depth of the tragedy the people are experiencing. We pray for every family who has lost a home, for every business that has been destroyed, and for every farmer who has lost a farm. In their frustration, in their helplessness, grant them grace to endure the immeasurable devastation.

We thank Thee mighty God for the righteous response of neighbors, near and far, to all who are hurting because of this disaster. We pray for the President, Vice President, members of the Cabinet who are involved, and Members of Congress as they struggle with the ways and the means to respond to this unmitigated devastation.

In the name of Him whose love is unconditional and boundless. Amen.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

HATCH ACT REFORM
AMENDMENTS

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of S.185, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 185) to amend title V, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitation, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Domenici Modified Amendment No. 597, to express the sense of the Senate that the President should submit the supplementary budget as required by law no later than July 16, or no later than July 26, 1993, and the requisite information therein required.

Mr. GLENN. Mr. President, what is the business before the Senate?

The ACTING PRESIDENT pro tempore. The business before the Senate is S. 185, and the amendment by the Senator from New Mexico, Senator DOMENICI.

Mr. KENNEDY. Mr. President, I ask unanimous consent that I may proceed for 8 minutes as in morning business.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DOMENICI. Mr. President, is this all right in terms of the rest of the schedule?

Mr. GLENN. Yes.

Mr. DOMENICI. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I know this has been a complex arrangement in working out the time for the benefit of Members, so I am very grateful to the floor managers. If it were not for the very special circumstances, I would not ask for this courtesy.

PRESIDENT CLINTON'S POLICY ON
GAYS IN THE MILITARY

Mr. KENNEDY. Mr. President, the policy put forward yesterday by the administration on the service of gay and lesbian Americans in the military is a step in the right direction, but only a first step. It is far less than a clear policy of nondiscrimination would require. Thousands of gay men and lesbians currently living a lie in order to serve their country deserve better. This issue will not be settled until true freedom from discrimination is achieved.

From the beginning, members of the U.S. Armed Forces have fought and died to defend the fundamental principles of liberty and justice upon which this Nation was founded.

One of the most important of those principles is that all individuals are to be judged by their abilities, not misjudged by the misperceptions of others.

During this long history, the military has faced a range of difficult social challenges that involve not only the defense, but the very definition of our Nation. Time and time again, the Armed Forces have demonstrated the character to rise to the occasion. And, in the process, we have enhanced military readiness, military effectiveness, and military justice. In each instance, progress has been made toward a stronger and truer America.

But progress is seldom easy. Often it comes step by step, not leap by leap.

Prejudice is deeply ingrained. But, in the end, people can and do change—and America moves forward.

If there is one lesson to be learned from the civil rights battles of the past half century it is this: As people are exposed to others whom they fear, stereotypes begin to crumble, and ultimately fade. Prejudice thrives in the dark, in ignorance and fear—and its greatest enemy is truth.

Familiarity does not breed contempt—it undermines it. We need only look at the record of racial integration in the military.

In 1945, 84 percent of white soldiers opposed racial integration. At that time, the Senate Armed Services Committee received testimony that "one of the surest ways to destroy the efficiency of the army" was to integrate blacks and whites. But in 1953, 5 years after President Truman ordered integration, only 34 percent of soldiers remained opposed.

Familiarity brought acceptance of change—but change took both time and struggle.

President Truman issued his Executive order in 1948, but it took 5 years—until the heat of the Korean war in 1953—for units to become truly integrated.

And even then, decades passed before African-Americans were truly accepted as equal members of our Nation's Armed Forces and our society as a whole. In reality, our struggle for racial justice continues to this day. But gradually, our country has moved closer to its ideals.

The fight for women's rights in the military has been equally instructive. We were told that if women served alongside men, military effectiveness would be impaired. It has taken decades, but this year Secretary Aspin issued regulations permitting women to fly aircraft in combat.

Through persistence, perseverance, passion, and sometimes patience—we have improved our armed services, and our society as a whole.

These battles have not been easy, but they have been just. And we know that, in the end, it is our duty to see to it that justice prevails. Inevitably, in America's history, the dawn breaks. And I believe it will again.

Never before has this Nation engaged in an extended dialog about what it means to be a gay American. But for the past 6 months, our country has done precisely that—and the light of truth has begun to shine through. Many more Americans now know that

gays and lesbians are not outside our common humanity. They are people—men and women seeking equal access to America's liberty and America's dream.

Poll after poll has shown that those who are least afraid of lifting the ban—and most accepting of gays—are those who actually know gay people. They understand that the debate on gays in the military is not about flaunting or foisting—it is about forcing fellow citizens to choose between being honest and serving their country. It is about believing in America and living with dignity.

Almost all Americans know people who are gay, whether they realize it or not. For too long, the opponents of gay men and lesbians have portrayed them as immoral, or sinister, or un-American. This is the way discrimination has always been rationalized—by degrading and dehumanizing others. Every denial of human rights begins with a basic denial of humanity.

But now, the silence has been broken—and the dialog has begun. We are moving forward on this issue, not standing frozen in place, and that is what counts the most.

The more society attempts to understand the issue, the more Americans will discover that they have always had gay people in their lives, in their families, in their jobs, in their churches, and yes, in their combat units.

The policy put forward yesterday by the administration is not all that we had hoped for—and it is not all that President Clinton wanted. I know that it has been an extremely difficult decision for the President, and I had hoped he would be able to take a larger step. But the issue before us has now changed, and it has changed forever. Deeply entrenched attitudes of discrimination are finally yielding.

Gay men and lesbians can and will serve in the Nation's Armed Forces. The task ahead is to chart the best course toward full equality and fairness.

So we will keep challenging this country to be all it was created to be, and all it has the capacity to be. Our ancestors were drawn here by the promise of freedom and equality. And in that spirit, we must turn disappointment today into constructive action tomorrow, until we have opened the doors of opportunity to all Americans in all aspects of our society.

In this battle, the forces of freedom put together a coalition of conscience as never before. This is no longer a battle about politics—or even about party affiliation. It is a battle about the integrity of America. That is why a broad range of individuals from Coretta Scott King to Barry Goldwater, from the conscience of civil rights to the conscience of conservatives, stood together and spoke together about America and nondiscrimination, in the same voice and with the same vision.

This latest chapter in the great unfinished business of our Nation—which truly is "liberty and justice for all"—will continue to unfold. If we do not end discrimination wherever it exists in our society, then America is not America.

We have been here before, and we will surely be here again. For our country, the work goes on.

We will continue to stand at the crossroads of national conscience. We do not seek a new America, but an America that has always been there, enshrined in the ideals that transcend the imperfect, beckoning each successive generation to give meaning to the dream and the destiny of our country as a shining city upon a hill.

For history, too, has its claims, and to all who think that this step forward is too small, I say larger steps will come. We have begun.

And after all the speeches are given, and all the headlines are written, and all the news is reported, the people who oppose a policy of nondiscrimination should ask themselves how they will be judged—not in the court of momentary opinion, but in the higher court of history, which is a more final arbiter of our deeds.

Those who defend discrimination against gay men and lesbians today will stand in that great accounting with those who once defended slavery, segregation, and discrimination against women and the disabled. It is not a place in history to which any of us should aspire.

I congratulate the American people—who, according to every survey on this issue, have been far ahead of most of their political leaders.

I commend the President for raising this issue, and seeking to move our country forward. He has hoisted the sail and begun the next stage of our great national journey on civil rights.

From this day forth, we must awaken the complacent, inspire the indifferent, and challenge our country to live up to its ideals. And in that cause, we shall never submit or surrender.

HATCH ACT REFORM AMENDMENTS

The Senate continued with the consideration of the bill.

Mr. GLENN. Mr. President, I ask unanimous consent we return to the regular order as prescribed by the previous agreement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent it be in order for the Senator from Kansas [Mrs. KASSEBAUM] to offer her amendment immediately following debate on the first Roth amendment notwithstanding the consent agreement of July 15, 1993.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. GLENN. Mr. President, I further ask unanimous consent that the voting sequence be modified to reflect the vote on or in relation to the Kassebaum amendment be the last vote in the sequence of amendments, notwithstanding the order of July 15, 1993.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GLENN. Mr. President, is it the previous order that we now proceed to the discussion of the amendments?

The ACTING PRESIDENT pro tempore. The Senator is correct. The Senator from New Mexico is recognized to debate his amendment.

AMENDMENT NO. 597, AS MODIFIED

Mr. DOMENICI. Mr. President, I yield myself, so I can be advised, 10 minutes.

We have this morning a total of 40 minutes for the Domenici amendment, 20 minutes on each side. I am not certain that I will use all my time, in an effort to make sure that we do complete this bill on time. I do not want to go beyond what is necessary.

First, let me say the sense-of-the-Senate amendment that I offered last Thursday simply says that the administration should abide by the law and submit to the Congress a midsession budget review by July 16, but in no case later than July 26. Obviously, the statutory July 16 deadline has already passed. But we are still within the window of my amendment giving time for administration to submit a midsession review by next Monday.

One of the arguments that has been made, and that I am sure will be made this morning, is past administrations have missed the deadline. The argument has been made by the other side, and there is nothing new here, that Republican administrations have regularly missed the statutory deadline. First, while true, that does not make it any more right.

Second, the Bush administration met the deadline each year within the timeframe of this amendment. They did their midsession review in all 4 years by the 26th day of this month.

Another argument that will be made is Senator DOMENICI, as a ranking member of the Budget Committee or chairman of it, never complained in the past. Not true. On Friday I had printed in the RECORD a letter coauthored by then chairman, Senator Chiles, of the Senate Budget Committee, chairman of the House Budget Committee, Bill Gray.

The letter was almost identical to the one the Republican leader and I sent to the President last week.

So let me repeat the purpose of this amendment. The law of the land says that the supplementary budget should be provided by July 16 to the Congress. We simply ask that the law be observed, with a window of 10 days to comply. There are very good indications, Mr. President, that the deficit

for the current fiscal year could be as much as \$50 billion lower than the \$322 billion policy deficit for this year estimated by the administration on April 8.

Let me repeat that. On April 8, the administration sent us a policy statement and a deficit within it estimating that this year it would be \$322 billion. There are very good indications that it would be as much as \$50 billion less. In fact, after I raised this point, while the Budget Director, Leon Panetta, apparently in his wisdom does not see fit to comply with the law nonetheless sent a summary sheet, and under that, it is \$37 billion less. Not just a little piece of change. In fact, if it happens to be \$50 billion less, which is what I think it will be, then that will be a bigger deficit reduction than the first year of this plan in terms of putting taxes on the public and allegedly restraining expenditures.

Fifty billion dollars will be more than the first year, more than the second year and, in essence, it is nothing, nothing to snoot at. It is a very big reduction. It happened without us doing anything. It happened without us raising taxes.

It seems to me, before we start this reconciliation process, we ought to have the details. So before the conferees on that bill work their will and, obviously, impose somewhere between \$250 billion and \$300 billion in new taxes on the American people—and if the House bill is followed, it will tax everyone from those who drive automobiles to senior citizens to small business and across the line, all in the name of taxing the rich—it seems to me we ought to know what the deficit is then, what the impact of this big reduction is on the next 5 years.

Let me end this first discussion with a somewhat ironic note. While the White House cannot find its way to prepare a mid-session review, required by the law last week, it did somehow find time to prepare an 86-page document asserting the merits of the Clinton plan, plus a marketing memo entitled, "Hallelujah! Change Is Coming."

They have plenty of time to do that, and we will get into the details of the 86-page document sometime during this week, because it is obvious from this little sales kit that it is pretty much a political document. I question whether Republican plans are described right, and I question whether or not the President's plan is encapsulated in salesman's language so that many of us will not even know that it is the same plan.

But one thing within this Democratic message, "Hallelujah! Change Is Coming," is the following language, and I am going to read it literally. In this document, it says if you are asked difficult, specific questions, then it says, "*** you will be pressed for details beyond these principles. There is nothing

wrong with demurring for a moment on the technicalities and educating the American people and the media on the historic change we seek."

Is it any wonder that the administration that would put such a product out is choosing to demur from the law and not provide the supplementary budget with facts and figures? While the White House could not find its way clear to provide Congress with an update of its own budget, as required by law, it did find a way to produce an 86-page document blasting Republican budgets, one of which I produced myself and, from what I can see, it is distorted and not stated correctly. For instance, it says the Republican plans cut Social Security. Not true in the plan that Senator DOLE and I produced. But, nonetheless, it says that.

Both plans that are not before the Congress, Representative KASICH's and Senator DOLE's and mine, are given front-and-center treatment in an effort to get the public to get away from the Clinton plan and look at something else. Is it any wonder that this administration cannot defend its own budget submission by providing Congress with the statutorily required report and they find it necessary to attack Republican plans? Maybe if they had a real budget, they would not need to attack those that were debated sometime in the past.

Mr. President, I repeat, I do not think this is anything monumental that I am asking for. For those who say we did not care before, that is wrong. I put letters in the RECORD showing that.

It seems to me that with the preliminary evidence in, there is no better time than now to submit a detailed re-estimate and reevaluation of where we stand.

Having said that, I do not know that I would be here pushing this President and this administration on this supplementary as one Senator—any Senator could do it—but I do not know that I would be here if the President of the United States had not made such a case for the proposition that he has to abandon campaign promises, such as the middle-income tax cut, no gasoline tax, and myriad others. Those changes were predicated upon the President stating the deficit went up from his campaign time to February and March of the first year of his Presidency.

Actually, this year, if it went down \$50 billion, it went down as much as it had gone up, and in going up, it produced a myriad of campaign promises being thrown out the window. It seems to me that in fairness, we ought to ask the President to tell us all about this deficit that is coming down. I might say, for those who think it cannot possibly be \$50 billion, in a cursory evaluation in response to this, the OMB supplementary review, a single-page document, says that it is \$37 billion less, if you start with \$322 billion, like we do—

because that is what they sent up here—it is \$37 billion down even under their cursory evaluation.

So, Mr. President, I do not think I am going to win. I think perhaps in times past it might have been a bipartisan effort to get this, but I believe the other side will vote partisan, in some way thinking they are protecting the President or we are in some way trying to be damaging to the President. Clearly, we are not.

I hope the rhetoric is not that this is just a partisan ploy. We have done this before with Republican Presidents, and President Bush submitted every one of his 4 years' review within the July 26 deadline, which is what I ask for, a sense-of-the-Senate deadline for the President of the United States.

Mr. President, I want to say I do not have the entire document that accompanies this "Hallelujah! Change Is Coming," the one that says, please demur if they ask you technical questions and just sing the song of generalities and just talk about, hallelujah, change is coming. Somewhere else they add, "and change is good." That is the real question: Is the change proposed good, not that the President is not suggesting change, for he is.

Having said that, I have not seen the 86 pages, but this is enough to convince me that it is a totally political document, intended to be used as much. Frankly, I do not know where it came from, excepting that it is touted as being part of the White House's effort to convince the American people that they have a great budget and it is good for America.

So I assume the White House and the administration had a lot to do with it. I repeat, I think while they were doing that 86 pages of work, they could comply with the law and send us a re-estimated deficit for 1993 and its impact on 1994, 1995, 1996, 1997, and 1998.

I reserve the remainder of my time.

Mr. GLENN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Ohio [Mr. GLENN] is recognized.

Mr. GLENN. Mr. President, it is my understanding that Senator SASSER wishes to reply. He is on the way to the floor; it is my understanding he is on the way to the floor.

I ask unanimous consent that the time be charged equally against both sides until his arrival.

Mr. DOMENICI. What is the request, Mr. President?

Mr. GLENN. That the time be equally charged against both sides until the arrival of Senator SASSER.

Mr. DOMENICI. Why should we do that? I object to that. I am here. The Senator has 20 minutes.

Mr. GLENN. Mr. President, I change that unanimous-consent request. I ask that the time be charged against Senator SASSER's time until time on both sides is equal; and then, that the time be charged equally until exhausted.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. GLENN. Mr. President, under the previous order, time was to be charged against Senator SASSER's time until the time on both sides was equal, and then time charged equally against both sides.

I ask that that same allocation of time occur in a quorum call, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from New Mexico [Mr. DOMENICI] has 8 minutes and 34 seconds remaining.

Mr. DOMENICI. I yield myself 3 minutes and reserve the remainder for another Senator.

I want to close my part of this argument by once again suggesting that it is ironic that an administration that cannot produce and will not produce a midsession review required by law, at a very critical time in the evolution of a very new and different approach to Government—that is, to get ourselves out of the deficit principally by taxing the American people more and not controlling the principal reason the deficit is out of control; that is, the entitlements except for Social Security—that we are going down a path of having all these taxes on the American people, on American business, on small business, on senior citizens. And we are going to find the deficit is no better in 5 years, and rising again. That is a very big change.

I agree with this document that is now out among the media, which we will have soon, that must come from the White House or the White House's political arm, saying "Hallelujah, change is coming". You bet it is. The question is whether that change is good for America or good for Government.

I am convinced it is not good for America.

So one can herald the change. But the question is, Change from what to what? Change to more taxes and not controlling the very expenditures that are breaking the backs of Americans. That is what I think we are not doing in this dramatic change.

Mr. President, again, I want to repeat very simply, how is it, how is it, that a White House that cannot produce a 30-, 40-, 50-, 60-page

midsession review—I have seen them; they are in that neighborhood, some are a little longer—would have the time to produce an 86-page document for circulation among our people? And obviously some administration people had to work on this. They did not dig up this 86 pages of rhetoric and numbers without participation from people who work for the White House and for the Government of the United States.

So they had time to do that. As I indicated, it has one very interesting statement:

While you will doubtlessly press for details beyond these principles, there is nothing wrong with demurring for the moment on technicalities and educating the American people and the media on the historic change we seek.

Having said that, I submit that we ought to ask the President to give us what he should give us, instead of 86 pages of rhetoric and political propaganda. It had to be written partially with White House help, staff, and OMB Director help. Why can they not produce a similar document with the realities of where the deficit is, how much is it down, and what does that \$35 to \$50 billion downward in this year mean?

Mr. President, I do not believe I am alone in figuring that this deficit has come down dramatically. The conference board, in their most recent communication, indicates that they believe the deficit will be down \$100 billion to \$150 billion lower than CBO's January estimate, by fiscal 1997, without us doing anything.

So it does seem to me that this is a very interesting, important issue, and I hope we will ask the President in our sense-of-the-Senate to comply.

I yield the floor.

The ACTING PRESIDENT pro tempore. The remainder of the Senator's time will be reserved.

Mr. GLENN. Mr. President, on our side, the Senator from Tennessee has control of the time in opposition.

Mr. SASSER. Mr. President, may I inquire how much time there is in opposition?

The ACTING PRESIDENT pro tempore. There are 13 minutes, 35 seconds remaining.

Mr. SASSER. Mr. President, the ranking member of the Budget Committee is simply, it appears to me, trying to turn a postponed submission of the midsession term budget review into some kind of sinister plot on behalf of the White House or President. There is nothing nefarious or suspicious here about a missed deadline. In fact, it is something that happens all the time in this particular area.

The Congressional Research Service, in a report issued July 15, 1993, says that the midsession review has been submitted on time in only 4 of the last 14 years. As I pointed out last Thursday, Mr. President, probably the most

glaring delays were those that occurred under the administrations of President Reagan. For example, in 1985, the midsession review was not released until August 15. In 1986, it was August 30. In 1987, it was August 6. In 1988, it was August 17. And in 1985 and 1986, my distinguished friend from New Mexico was chairman of the Senate Budget Committee. I do not recall him coming to the floor in 1985 and in 1986 and taking the Reagan administration to task for being late in submitting the midsession review, even though they were over a month late. As a matter of fact, I do not recall any Senator coming to the floor and making an issue of that, and I do not know why we are doing that today.

The distinguished Director of the Office of Management and Budget, Mr. Leon Panetta, did issue a preliminary midsession review in July 1993, on time for the preliminary, and he indicated what the budget deficits were to be. He indicated, I am pleased to say, some improvement for fiscal year 1993. The net deficit projected in April was \$310 billion. The deficit projected now by the Office of Management and Budget is \$285 billion. So I think we can all rejoice that there has been a \$25 billion reduction in the deficit projections for fiscal year 1993. But as we look into the outyears, the deficits still present a gloomy scenario indeed.

The amendment before us today is totally unnecessary. I think the American people could care less about a paperwork delay. What they really care about is reducing the deficit. And this amendment does nothing to bring down the deficit.

I am sorry to say, Mr. President, that it appears to be nothing more than a continuing effort to harass this administration, to push this administration into disfavor, to try to embarrass this administration. I cannot honestly say that it appears to be an honest effort to try to deal with the overriding problem of the deficit.

The American people are onto these tactics. There is no question about it. Just recently, in a poll taken by public opinion strategists and reported in the local publication here, it found that—actually, the poll was a NBC News/Wall Street Journal national poll. The question was asked: Do you believe that Republicans in Congress are interested in offering a realistic alternative to President Clinton's economic plan, or do you believe they are opposing President Clinton's plan for political reasons?

Mr. President, only 27 percent of the Americans said that our Republican colleagues in Congress were interested in a realistic alternative; while 60 percent said that our friends on the other side of the aisle, our Republican friends, are opposing the Clinton plan for political reasons only.

That is a shocking note. When we asked the so-called independent voters,

61 percent said that the opposition of our Republican friends to the President's economic plan was politics as usual, and only 24 percent said that the Republicans were seeking a realistic alternative.

So the American people are onto these little games, Mr. President, that are used to delay, to prevent the deficit reduction from taking place, to bring into disfavor the President's proposals, without offering any realistic alternatives of their own.

I have mixed emotions about these little sallies that take place over here as they rush out and try to tear off a tiny piece of the President's economic proposals here and rush out and try to tear off a tiny piece there. When I read this poll, if I were purely partisan, I would say to my Republican friends: Keep it up, because by these tactics, you are simply discrediting yourselves and discrediting your own efforts. And if I were only partisan, I would say that study inured to the benefit of the President and to Democrats when next we open the polls for an election.

But this is more than about partisan politics here. This is about trying to deal with one of the overriding crises that this country faces, and that is what to do about massive budget deficits that stretch as far as the eye can see. Bear in mind that President Clinton is not responsible for these deficits, and he told a joint session of Congress and the American people in February that he is not going to try to place blame for the fiscal disaster that he inherited inherited, I might say, after 12 years of Republican administrations.

No. What he said was that he will play the card that is dealt him, that there is plenty of blame to go around. Those were his words and indeed he is correct.

So what we are seeing here is a good-faith effort by this administration to deal with a very, very serious problem, the massive budget deficits that have quadrupled the national debt in the space of only 12 years.

I would hope, given this national crisis, that our friends on the other side of the aisle would feel some responsibility to offer constructive suggestions, some responsibility to say, well, we cannot agree with the President 100 percent on what he is going to do, but he is right at least on 10 or 15 or 20 percent of it, or 40 percent of it, and we will support him on that. We have not heard anything like that. It has been a total opposition to everything this President has proposed to try to reduce this deficit, an effort to totally distort the deficit reduction plan that he has produced and presented to the Congress and the American people, the largest deficit reduction plan in the history of this country.

And now what are we faced with? I would characterize it as a pettifogging attempt to simply come in and throw

up one more minor, and I might say somewhat petty, roadblock about the midterm review.

Bear in mind, as I said earlier, that the Congressional Research Service has said that only 4 of the last 14 midsession reviews have been submitted on time by various administrations.

Indeed, in the 8 years of the Reagan administration, and I said Thursday, only one time was a midseason review presented on time. In the Bush years, they missed three out of four opportunities to present the midseason review on time.

So, Mr. President, I do not think this is a matter of any significant consequence. I want to see the administration and the President and the Director of the Office of Management and Budget, Mr. Panetta, devote the lion's share of their time to getting this deficit reduction plan passed and getting this deficit down. That is what is necessary. That is what we ought to be about, rather than debating some bureaucratic time deadline here and wasting our time in that regard.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes and 28 seconds.

Mr. SASSER. I would just end by saying this, Mr. President: The important thing here is to deal with the deficit simply and not to spend our time trying to throw up minor roadblocks in the way of the President and the administration as they work very diligently to try to reduce the deficit and to bring our fiscal house in order.

The numbers in the midsession review have a very, very short shelf life indeed and are not going to bring down the Republic or the Government around other areas if we are 8 to 10 days or 2 weeks late in getting them, or even a month and a half late as we were on one occasion in the Reagan administration.

Mr. President, I will reserve the remainder of my time and yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that the time under the quorum call be charged equally on both sides.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. GLENN. Mr. President, I amend the unanimous-consent request to say charged equally until one side runs out

and the time to continue on the other side until exhausted.

The ACTING PRESIDENT pro tempore. Is there objection to that request?

Without objection, it is so ordered. Mr. DOLE. Mr. President, after OMB failed to meet the legal deadline for submission of its midsession budget review last week, OMB Director Panetta sent me a letter which I received yesterday.

In the letter, Director Panetta restated:

The administration's intention to issue a midsession review upon completion of the reconciliation process by the Congress.

He did provide us with a brief, preliminary update of OMB's current deficit forecast.

The preliminary OMB analysis projects that the deficit for the current fiscal year will be \$25 billion lower than OMB projected back in April. Over the next 5 years, OMB now estimates that the cumulative deficit increase will be \$64 billion less than they projected back in April. A combination of lower than expected interest rates, lower S&L cleanup costs, a smaller stimulus package, and other technical changes contributed to the improving deficit picture.

Mr. President, I ask unanimous consent that a table entitled "Comparison of OMB Deficit Estimates, April vs. Preliminary Midsession Review" be inserted in the RECORD at this point.

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

COMPARISON OF OMB DEFICIT ESTIMATES, APRIL VERSUS PRELIMINARY MIDSESSION REVIEW

[In billions of dollars]

	Fiscal year—						
	1993	1994	1995	1996	1997	1998	1993-98
April budget	310	302	301	298	347	387	1,945
Preliminary update	285	300	286	291	340	379	1,881
Deficit decrease	25	2	15	7	7	8	64

Source: OMB.

Mr. DOLE. While this new information blows the administration's cover for the biggest tax increase ever, it still misses the mark. A two-page double-spaced preliminary analysis does not qualify as a full report to Congress.

Within the next few weeks, Congress will be voting on the largest tax increase in the history of the world. The stakes could not be higher. Let us not forget that it was President Bill Clinton who told the American people back in February that he could not deliver on his campaign promises to cut the deficit in half in 4 years, support \$3 in spending cuts for every dollar of tax increases, or provide the middle class with a tax cut because—and I quote—"The deficit has increased so much beyond my earlier estimates and beyond even the worst official Government estimates from last year."

Now OMB Director Panetta admits that the deficit forecast is no longer as bad as he told the President it was earlier this year.

GIVE US THE FACTS

Last week, President Clinton urged Congress to base this deficit reduction package on—and I quote: "Hard numbers and good figures." I could not agree more.

If the President genuinely believes that this plan is good for America. He should not hesitate to give us the facts—all of them. The detailed revenue projections. The most current spending estimates. The latest White House economic forecasts.

A NONPARTISAN ISSUE

My colleagues on the other side of the aisle are quick to point the finger at Republicans for being unduly partisan. This should not be a partisan issue.

The vote on this conference report may be the most important vote we cast in this body this year. No other vote will have a greater impact on the economy.

Every Member of Congress—whether Democrat, Republican, or independent—should demand that the administration provide us with the best possible information about the status of the budget and the health of the economy before the conference on the budget reconciliation bill completes its work.

REPUBLICAN COMMITMENT TO DEFICIT REDUCTION

Mr. President, one final point: Republicans are not suggesting that we do not need to reduce the deficit. I have been a strong advocate of deficit reduction for years, and I have the record to prove it.

Republicans understand the importance of deficit reduction. We understand that the future of our children and grandchildren are at stake.

But, Republicans will continue to oppose this plan because of the way it reduces the deficit.

President Clinton argues that his tax now, cut spending later deficit reduction plan will reduce the deficit and stimulate the economy.

Republicans believe that the Clinton economic plan is the wrong medicine for our fragile economy for three reasons.

No. 1, a record-breaking tax increase will not stimulate the economy. It will destroy hundreds of thousands, perhaps millions, of jobs.

No. 2, we believe that a tax-now, cut-spending-later approach to deficit reduction sends the wrong signal to the American people. We do not believe that Congress will keep its promise to cut spending down the road. That is why Republicans support a cut-spending-first approach to deficit reduction.

Finally, we oppose this plan because we believe it is just the first installment. What do the American taxpayers

get in exchange for the largest tax increase in history? They get a deficit that starts moving up again after 1997.

By failing to control the runaway growth of entitlement spending, President Clinton's plan fails to control the deficit in the long run.

Republicans are so convinced that the President's tax-now, cut-spending-later plan is the wrong approach that we think a full administration report on the economy and the budget may help us get the votes we need to defeat the Clinton plan.

If we are successful in blocking this plan, the President can count on help from Republicans in crafting a real deficit reduction plan that works.

I urge all of my colleagues—Democrat and Republican—to support the Domenici amendment.

Mr. GLENN. Mr. President, I yield back all time that was allotted to Senator SASSER and Senator DOMENICI.

Mr. ROTH. We yield back all our time.

Mr. GLENN. Mr. President, what is the next order of business?

The ACTING PRESIDENT pro tempore. Under the previous order, Senator DOMENICI's amendment is set aside and the Senator from Delaware is recognized to offer one of his two amendments.

Mr. GLENN. Mr. President, what is the time limit on this amendment?

The ACTING PRESIDENT pro tempore. Thirty minutes, equally divided.

AMENDMENT NO. 600

(Purpose: To provide that revenue agents, tax auditors, and tax examiners of the Internal Revenue Service may not take an active part in political management or political campaigns)

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

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself and Mr. DOMENICI, proposes an amendment numbered 600.

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

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

The amendment is as follows:

On page 17, insert between lines 15 and 16 the following new paragraph:

"(3) No employee of the Office of Examination (including revenue agents, tax auditors, and tax examiners) of the Internal Revenue Service may take an active part in political management or political campaigns.

On page 17, line 16, strike out "(3)" and insert in lieu thereof "(4)".

Mr. ROTH. Mr. President, my amendment would prohibit, as under current law, revenue agents, tax auditors, and tax examiners from taking an active part in political management or political campaigns.

With the adoption of the amendment on Thursday, the Senate recognized the importance of exempting employees in sensitive agencies from active participation in partisan politics. We all recognize the rationale for keeping these agencies above the fray of partisan politics even if relatively few Americans have direct contact on a regular basis with agencies such as the Customs Service or Defense Intelligence Agency.

But every American taxpayer is required by law to file a tax return and thus has regular contact with the Internal Revenue Service. Not too long ago, the Congress enacted the taxpayer bill of rights, to protect taxpayers against unfair dealing with the IRS agents and auditors.

Yet, in the Halls, in the Cloakroom, in the editorials, there is much discussion of the IRS auditor who examines tax returns by day and is active in partisan politics at night.

How would a taxpayer who has been asked questions about their return feel if that very same tax examiner came by their house after working hours to ask for their vote in favor of their candidate. Might that not raise doubts as to the integrity and fairness of the tax system.

How would a taxpayer who is known to support a particular party's candidates feel if his tax return is being audited by a IRS employee who conducts audits by day and serves as the chairman of the local Democratic or Republican Party at night.

Proponents of S. 185 will cite the specific regulations that revenue agents and tax auditors are required to follow before beginning an audit. Yet one only has to look at Travelgate to question whether those rules are strictly followed. BNA's tax notes on June 7 covers this ground thoroughly. More importantly, simply the specter of an IRS auditor raising questions is enough to send chills down the backs of taxpayers.

Asking a small businessman for copies of all W-Z's, 1099's, and bank statements for all cash transactions; asking a taxpayer to provide receipts or appraisals of their charitable contributions; asking to provide contemporaneous record keeping for all business mileage used, documented copies of all deductions and receipts for various charitable organizations, or bank statements to match sales and receipts. Questions alone are enough to make a taxpayer feel pressured. And we cannot outlaw questions. We can outlaw the sensitive situation by adopting my amendment. Proponents ignore these subtle pressures in their belief that coercion is easily proved.

I received a letter yesterday from the Association of Former Internal Revenue Executives, a group of 150 former executives of the IRS with an average of 30 years each in public service, in

support of this amendment. Why does this group feel so strongly about this amendment? Because they have dedicated their lives to a nonpartisan, efficient tax collection system. They have firsthand experience in cleaning up the IRS from political interference. They know what will happen if IRS auditors can be active in partisan politics.

If S. 185 is passed without this amendment, revenue agents, tax auditors, and tax examiners would be permitted to engage in partisan political activities, and could harm the public's perception of the impartiality of the IRS. In addition, I remain particularly concerned about the possibility of subtle coercive pressures which will build up inside the IRS, as well as the rest of Government.

The 1976 legislation presented to President Ford recognized the need to exclude certain agencies from the legislation—specifically sensitive employees within the IRS, Department of Justice, and Central Intelligence Agency. With the amendment adopted Thursday, we were able to exempt employees of the FBI and CIA, and some employees of the IRS.

But as the Association of Former Internal Revenue Executives make clear:

Employees of the Examination Activity have [as] sensitive tax administration responsibilities as those in the Criminal Investigations work.

For these reasons, Mr. President, I urge my colleagues to adopt this amendment.

Mr. President, could I ask how much time I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 8 minutes and 49 seconds remaining.

Do you wish to reserve the remainder of your time?

Mr. ROTH. I wish to reserve the remainder of my time.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

Mr. President, to those who think the Government agencies such as the IRS do not have the right now to do things politically, I would say that same IRS agent about whom we have just been talking right now can write a \$1,000 check to the candidate of his or her choice—that is current law—or any portion thereof, or multiple, up to a \$25,000 limit; multiple candidates, a thousand dollars each to Federal candidates. So, IRS agents are not prohibited from political participation right now.

Those same IRS agents we are talking about who we are thinking are so pristine pure can go out right now and put 500 yard signs in their yards if they want to, they can cover their automobiles with candidate signs and drive into work and park right outside or park in the garage. That might give a little hint as to what their—how they feel about this. They can go to a rally. That is not prohibited. They can wear

a button to work and no size limitation. There is nothing that says that an IRS agent cannot walk into an interview with someone whose account they are auditing right now with a great big Bush-Quayle button or Clinton-Gore button on, 7 inches across. Do you think that would give somebody a little bit of a hint? I would certainly think so. So, this idea that the IRS agents are not permitted right now to have any political activity is just flat wrong. Current law says they can do all these things right now.

If they use undue influence, if they try to imply to somebody we are going to take this account of yours apart, but if you promise to vote for somebody, for a certain candidate, or if you would see fit to contribute to our political action committee, maybe this thing could be terminated—that is covered under current law. There are strict penalties.

What this amendment proposes is to keep about 30,000 Internal Revenue Service employees under the current Hatch Act statute. They can do right now those things I mentioned a moment ago. Out of that 30,000 there would be about 15,500 revenue agents who audit high-revenue individuals and corporations, 2,500 tax auditors who handle individual audits, 11,000 tax auditors who look at forms and do not deal with the public, and clerical staff.

Let us look at the office which would be exempted under this amendment proposed by the Senator from Delaware, the Office of Examination of the Internal Revenue Service. The words "tax auditors" send chills down the backs of most Americans. However, employees in the Office of Examination that we are talking about cannot pick somebody and say, "I am going to audit this person for political reasons," just on their own. They have little control over whom or what they audit. Almost all audits are chosen by computer and they are based on mathematical models. Any non-computer-generated audit must be approved by a supervisor. So they cannot just go out and decide they are going to use political influence. The supervisor has to approve this.

Let us say an IRS employee just gets angry with his or her neighbor and says, "Boy I am going to get even with them. I'll show them. I will get an audit going here." Or, "I'll convince them they ought to vote for Clinton or Bush" or whomever—or whatever Federal office. They just cannot do that. An employee making this kind of endeavor would be subject to dismissal and criminal charges. This is the law now and nothing in S. 185 will change that law.

Let us suppose an IRS auditor wants to misuse his or her position for political purposes. Just as the current Hatch Act does, the text of S. 185, in fact it is section 7323, prohibits any Federal em-

ployee from using his or her influence or authority for political purposes. Let us suppose that auditor wants to break the law, that auditor sets out to coerce some poor citizen who is being audited to attend a rally or stuff envelopes or whatever.

We know the auditor cannot accept a check under S. 185. Such coercive action would be against the law under the terms of S. 185. In addition, it is a criminal offense, quite apart from the Hatch Act; 18 U.S.C. 594, 595, and 600 provide criminal penalties for any Federal employee who misuses his or her official influence or authority in this way. For IRS auditors specifically, 26 U.S.C. 7214 provides penalties for anyone "who demands, or accepts, or attempts to collect, directly or indirectly as payment or gift, or otherwise, any sum of money or other thing of value * * * except as expressly authorized by law."

The law provides that a violator further, "be dismissed from office or discharged from employment and, upon conviction thereof, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both."

Let us suppose an IRS auditor wants to misuse someone's tax return for political purposes. Again, that is what we are talking about here, misuse someone's tax return for political purposes. Again, 18 U.S.C. 1905, 2071 and 5 U.S.C. 552A provide criminal and civil penalties for the disclosure of confidential Government information. And 26 U.S.C. 6103 specifically prohibits the disclosure of tax return information.

Mr. President, the purpose of S. 185 is to clarify the confusion and the illogic of current law governing the political activities of Federal and postal employees and to make the law more fair.

I repeat, right now if an IRS agent wants to try to influence somebody, he or she cannot just go out and say, "You better vote or I am going to take your tax return in and we will see you get your due if you do not come around to my political way of thinking." That is illegal. They can go to jail for that right now, and nothing in S. 185 would change that. It does not change any of that law whatsoever.

But if that IRS agent was to be more subtle about this thing—and nothing that the Senator from Delaware proposes or does not propose would change this—under current law, that agent can write a check. That agent could tell somebody else, I am writing a check, indicating that maybe they would want them to do the same thing.

They can put signs on their cars. They can put 100 of them in their yard if they want to. They can plaster their cars with them. That might give somebody a little hint as to what that IRS agent is thinking about. They can go to a rally. If they wave that same sign in the rally, that is against the law. That is one of the inconsistencies right

now. Or if they come into an audit, it is legal right now, not against the law, for that IRS agent to come in wearing a great big campaign button. Might that give someone a hint as to how they feel about this thing? I would think so. That is not against the law right now.

Mr. President, there is enough protection here. I do not think we need this amendment, the pending amendment. We are taking out one particular group here that people have a special feeling about. I just do not think it is necessary. I think all of this is adequately covered, and at the appropriate time I will probably move to table.

I reserve the remainder of my time.
The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, there is a great deal of difference between what a Federal employee can now do and what is proposed under the so-called reform legislation. Yes, an IRS agent can, today, write a check. But I ask how does that intimidate a taxpayer? And, yes, agencies can permit Federal employees to wear a button, a campaign button to work. But as I have said on many occasions, both this year as well as in the past, if the majority would agree to continue the prohibition of political activity on the part of these IRS agents, I would be happy to ensure that wearing a political button would not be permitted. But I think the important thing to understand is that the limited activities now permitted, including the right to vote, are something entirely different from what will be permitted under the legislation before us.

We find it appalling that people in sensitive positions can be politically active because, while it is true that there are strong laws against coercion, any lawyer will agree that it is difficult to prove coercion. What we are most concerned about are subtle pressures.

For example, we had an illustration of that in consideration of the Hatch Act itself. The minority had a day of hearings and we invited a number of people to testify before us. One or more staff members on the majority side called these individuals and began asking a number of questions such as how much revenue foregone the organization they represented used for subsidized mailings.

Maybe that was not intended to be a subtle pressure. But let me tell you, those who received the calls thought it was indirect or subtle coercion. The majority, as well as the minority, had every right to ask those questions if they so chose. But the fact is, if you have a witness coming before you and testifying against your position, if you call them and raise questions of wheth-

er or not they use forgone forgone, that can be a very, very subtle pressure.

And that is what we are concerned about in the legislation before us; that the IRS agents will be subject not to illegal coercion, but subtle pressures.

One of the best, I think proofs of that problem is a letter I just received, dated July 19, from the Association of Former Internal Revenue Executives. The writer says:

I am writing to you as a former district director of the State of Massachusetts, as Deputy Commissioner and as President of the Association of Former Internal Revenue Executives. Our association consists of about 150 former executives of the IRS, including five former commissioners who were appointed both by Democratic and Republican Presidents.

Our members have an average of well over 30 years in public service. * * * We are gravely concerned about the damage that could be done to the integrity of the IRS and to the impartial role of the Nation's tax enforcement organization by the revisions of the Hatch Act which the Senate will soon be considering. We strongly urge that the Senate maintain the existing rules for technical employees in the examination audit of the IRS.

He goes on in the letter to say:

The examination activity consists primarily of Internal Revenue agents and tax auditors who have the responsibility of auditing the records of taxpayers to determine their tax liability.

The PRESIDING OFFICER (Mr. DORGAN). The Chair advises the Senator he has consumed 5 minutes.

Mr. ROTH. I yield the floor for the present, and I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator is reserving his time. The Senator has 3 minutes remaining.

The Chair recognizes Senator GLENN.
Mr. GLENN. Mr. President, I yield myself 4 minutes.

I appreciate the views of the IRS Commissioners, as just stated here. I am sure there are people who did the best job they could while they were in office. They are concerned that the Service continue that tradition, which it has always had; that there would not be damage to the IRS and that there not be tax auditors out there running amuck using political influence.

I agree with them 100 percent, but nothing in this amendment would change anything with regard to that. Nothing in this amendment changes the fact that an IRS agent right now can write a check to the candidate of their choice and go out and talk about it. I do not think many of them do. But nothing in this amendment would change the fact that they could put yard signs all over their yards and in every window of their house if they wanted to. I do not think many of them do, but they could if they wanted to. None of this changes the fact that they can put signs all over a car and drive down to the local political rally and walk into that rally and stand

there. IRS agent, political rally, how about that? Not many of them do.

They can come into an audit of a particular person wearing a great big campaign button in their lapel. Now, I am sure not many of them do.

But if any of them do want to misuse the power of their office to that regard, S. 185 prevents it. We say they cannot walk in with that campaign button on. We prohibit that when they are on the job, whether they are in the office or out auditing somebody. This tightens it up. If the IRS Commissioners Alumni Association, or whatever the group was that was cited just a moment ago, wants to really look at this and talk about the details of it, this protects them more. It makes the Hatch Act tougher in that regard as to what their agents can do. It does not loosen things up.

They ought to read this thing first and then look at what it really does, not just have some knee-jerk reaction from 10 years ago. This is not a repeal of the Hatch Act. This is not the House bill, as I have said on this floor a number of times already. This is not the House bill, which does let people go out and ask for contributions, and does let them run for partisan political office. This bill does not do that.

So I wish they would get down to the nitty-gritty of what this bill actually does, not what it is purported to do.

This amendment, I will say, does not prohibit any of those abuses I mentioned just a moment ago. Keeping the present Hatch Act leaves those same thing as potential abuses for agents going out to audit particular accounts.

So, in effect, what these IRS agents are talking about, we strengthen their case. We strengthen the Hatch Act in that regard. We do not weaken it. It makes it tougher. I think if they would read this and talk to us about it instead of writing these knee-jerk letters, that they would be for the changes that we are trying to make because we strengthen the very protections that they expressed concerns about.

This amendment by the distinguished Senator from Delaware talks about the subtle differences. Subtle differences: Writing a check and telling people about it; yard signs; car signs, going to a rally; wearing buttons in to audit somebody. Those are permitted under law right now and those are not so subtle, I would say. It gives you a pretty broad hint as to what the agent's political bent is if they are coming in to audit you. This does not change that.

Mr. President, we just checked with the administration on this amendment. They see no reason to exempt this office from Hatch Act reform.

So the administration opposes this. I oppose it.

I reserve the remainder of my time. I suggest the absence of a quorum and ask the time be charged equally against both sides.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I yield myself such time as I may take.

The PRESIDING OFFICER. The Senator has 3 minutes remaining. The Chair recognizes the Senator from Delaware [Mr. ROTH].

Mr. ROTH. Mr. President, let me point out first that the Association of Former Internal Revenue Executives is well acquainted, understands fully the differences between the House and the Senate bill. They testified before the Senate committee, on the Senate bill, explaining why they were in opposition to the reforms.

I will just say to my distinguished chairman, the fact is that the majority was willing to exempt a criminal investigation employee. Why not a tax auditor? As the Former Internal Revenue Executives properly point out, they are in a similarly sensitive position. I quote from the letter:

Employees of the examination activity have sensitive tax administration responsibilities as those in the criminal investigations work.

So I ask the majority, why treat them differently when they are in the same kind of sensitive position? Let me just point out, as I started to in my earlier remarks, the examination activity consists primarily of Internal Revenue agents and tax auditors who have the responsibility of auditing the records of taxpayers to develop their tax liability.

That has nothing to do with making a contribution or a wearing of a button. What we are concerned about is that this will include taxpayers at all levels of income, all classes of returns—individuals, fiduciary, partnerships, gifts, et cetera. For fiscal year 1992, these officials audited over 1.3 million tax returns, resulting in recommended additional tax and penalties in excess of \$26 billion.

The examination program is one of the most important ingredients of our tax administration programs and contributes significantly to our self-assessment tax system's success. It is very obvious that these officials occupy a very sensitive position—

I am quoting from the letter—

and must present an image of fairness, honesty, and perform their work in an even-handed manner. It is not a compatible position for these employees to be involved in any partisan political activity as envisioned by current proposals to amend the Hatch Act.

Mr. President, I ask unanimous consent that the entire letter from which I have read be printed in the RECORD at this point.

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

ASSOCIATION OF FORMER
INTERNAL REVENUE EXECUTIVES.

Alexandria, VA, July 19, 1993.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate,
Washington, DC.

DEAR SENATOR ROTH: I am writing to you as a former District Director for the State of Massachusetts, as Deputy Commissioner, and as President of the Association of Former Internal Revenue Executive (AFIRE). Our Association consists of about 150 former executive of the IRS, including five former Commissioners (who were appointed by both Democratic and Republican presidents). Our members have an average of well over 30 years each in the public service, and AFIRE exists solely because of our shared concern for the agency to which we gave so many years of our life.

We are gravely concerned about the damage that could be done to the integrity of the IRS and to the impartial role of the nation's tax enforcement organization by the revisions of the Hatch Act which the Senate will soon be considering. We strongly urge that the Senate maintain the existing rules for technical employees in the Examination (Audit) of the IRS. We are most pleased that a bipartisan effort resulted in an agreement to maintain the existing rules for the Criminal Investigations Activity of the IRS. Employees of the Examination Activity have sensitive tax administration responsibilities as those in Criminal Investigations work.

The Examination Activity consists primarily of Internal Revenue Agents and Tax Auditors who have the responsibility of auditing the records of taxpayers to determine their tax liability. This will include taxpayers at all levels of income, and all classes of returns—individual, fiduciary, partnership, gift, estate, corporation, employment, and exempt organization. For Fiscal Year 1992, these officials audited over 1.3 million tax returns resulting in recommended additional tax and penalties in excess of 26 billion dollars. The examination program is one of the most important ingredients of our tax administration programs and contributes significantly to our self-assessment tax system's success.

It is very obvious that these officials occupy a very sensitive position and must present an image of fairness, honesty and perform their work in an even-handed manner. It is not a compatible position for these employees to be involved in any partisan political activity as envisioned by current proposals to amend the Hatch Act.

Our concern stems from the fact the IRS suffered through a damaging series of scandals in the late 1940s and early 1950s. Congressional investigations into the cause of those scandals revealed clearly that the involvement of IRS employees in partisan political activities (which was permitted until the enactment of the Hatch Act) was a major factor in the corruption, inefficiency, favoritism, and integrity problems revealed by the investigations. History has a way of repeating itself but too many of our leaders tend to ignore the effects of history or are not willing to accept this realistic fact.

To remedy those conditions and prevent their return, President Truman and the Congress wisely agreed that, in the future, IRS employees should be completely removed from political activities; that only the Commissioner and the Chief Counsel would be political appointees; and that all other employees below them would be career civil servants who stayed out of partisan politics. This decision was a wise one and has been

one of the principal factors in developing the most effective tax administration system in the World.

Many of our AFIRE members worked in the multi-year efforts that were required to clean up those terrible conditions, and all of us have worked subsequently to make IRS a non-partisan, fair, and efficient organization. We greatly fear that, unless employees in the Examination and Criminal Investigations Activities are excluded from the revisions now being considered, the problems of the 40s and 50s could return. The Congress should not let that happen—

Prior to the reorganization of the IRS in 1952, when officials owed their own success to political sponsors, they recognized that they were expected to respond when those sponsors asked them for return favors such as avoiding the collection of tax bills owed by certain prominent citizens, or not auditing their tax return. Employees with political supporters became immune to supervisors directions, and did not find it necessary to perform well in order to stay on the payroll. They also found that they did not need to follow normal office procedures, so it became easy for them to embezzle money or to shake down taxpayers. Thus, the conditions that eventually led to the scandals grew and grew.

If IRS employees in the enforcement programs such as the Examination and Criminal Investigations Activities are again allowed to engage in political activities, on their own time, we do not see how those abuses can be prevented from gradually creeping back. To avoid that risk, we believe that employees in these two critical and sensitive areas should be kept out of the political arena just as they have for the past 40 years.

There are also other consequences of allowing IRS Examination employees (Internal Revenue Agents and Tax Auditors) to engage in political activities "on their own time." If a citizen who has been audited during the day by an IRS agent is asked by that same agent after working hours to vote for a specific political candidate, might that not raise doubts concerning the integrity and fairness of our tax system? If, during a political campaign, it is known that an IRS official who can influence the choice of tax returns for audits is working "on his/her own time" for one of the candidates, would that seem OK to those who are supporting other candidates? These are merely two of the many examples that could be cited to illustrate the potential dangers of political involvement of IRS agents and auditors.

While the IRS is still far from perfect, we believe that we and other IRS employees have succeeded in giving the United States citizens—despite the fact that it has the most complex tax laws in the world—an unusually honest and effective tax administration agency. Since retirement from the IRS, many of our members have worked on the tax systems of many foreign countries and can state that our system is the "envy of the world." In addition foreign tax officials who have come to study our system support this position. Clearly, it would be unwise to endanger that agency by allowing its Examination (Audit) personnel to get back into partisan political activities.

For those reasons, AFIRE urges that the Senate exclude Tax Auditors and Internal Revenue Agents, of the IRS Examination Activity, from the revisions of the Hatch Act. These employees occupy sensitive and responsible positions comparable to Criminal Investigators which have been excluded by Senate action.

Thank you for considering this important issue and we trust that the Senate will vote to maintain the existing rules of the Hatch Act for the officials of the Examination Activity of the Internal Revenue Service.

With best regards—

Sincerely,

WILLIAM E. WILLIAMS,
President.

Mr. ROTH. So, again, Mr. President, I say, if the majority were willing to exempt the criminal division, why not exempt the tax auditor who is in a similarly sensitive position.

I yield the floor. I reserve the remainder of my time.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Ohio has 2 minutes and 32 seconds remaining.

Mr. GLENN. Mr. President, I yield myself as much time as I may require.

Mr. President, a good answer to the question the Senator from Delaware asked as to why we exempted the Office of Criminal Investigations is that it is for one very good reason: Because we are faced with a filibuster here on the floor and that is the only way we can get a time agreement.

One thing leads to another, and I did not think that the rationale for taking that criminal investigation group out was any more logical than the one we are talking about right now. We were faced last week here, as the Senator recalls, with the hope that we could get a time agreement so we could move this thing forward so we will not be faced in the indefinite future with closure and so on. They are just time delays. So we accepted that. I did not particularly want to accept that. But we did.

Now we are using that as a rationale to say we should exempt all these other things. I disagree with that. I think all of these pressures are not corrected by this amendment at all. IRS agents or anybody else, like any other American citizen, can write a check, they can put signs in their yard, on their car, they can go to a rally, wear a button to work.

You talk about subtle pressure. That is not so subtle pressure if you are an auditor in there. That is not knocked out under this. It would be, under S. 185, illegal to wear one of those campaign buttons at work. We tighten up the Hatch Act. We make it a tougher Hatch Act by saying you cannot do anything on the job, you cannot solicit someone, you cannot do any of those things.

Off the job, is there anything wrong with someone going down, who cannot give that \$1,000 check, and they say, "But I want to participate, I don't have

that thousand dollars, I've got a couple kids in college, I don't have that extra thousand dollar to give. But I want to help out a little bit." So I can go down here and participate in this American democracy that we have here. I can go down to campaign headquarters, I can stuff envelopes, maybe drive a car for them during the campaign, something like that. I do not see anything wrong with that. That is not coercing anybody.

The law already provides very strict penalties, not just the Hatch Act but other law, for anybody, the IRS or anyone else, and these agents. The Association of Former Internal Revenue Executives, I am sure, would be the first to tell us that there is very tough law. If they want to do any of these things that are so subtle—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GLENN. Mr. President, what is the next order of business?

The PRESIDING OFFICER. Under the previous order, amendment No. 600 is laid aside.

Under the previous order, Senator KASSEBAUM is now recognized to offer her amendment. The Chair recognizes Senator KASSEBAUM.

AMENDMENT NO. 601

(Purpose: To provide that Federal employees may not solicit, accept, or receive political contributions)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself, Mr. DOMENICI, Mr. GRASSLEY, Mr. ROTH, and Mr. SIMPSON, proposes an amendment numbered 601.

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

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

The amendment is as follows:

On page 15, line 22, beginning with the comma strike all through line 19 on page 16 and insert a semicolon.

Mrs. KASSEBAUM. Mr. President, on behalf of myself and Senator DOMENICI, Senator GRASSLEY, Senator ROTH, and Senator SIMPSON, I rise to offer this amendment as one who supports the reform of the Hatch Act. I believe there is much that has already been said, pro and con, and I agree with some of the comments just offered by Senator GLENN, who is putting forward these reform measures.

But the amendment that I am offering today would strike from S. 183 a special exemption that would allow Federal employees in labor organizations to solicit political contributions. It would still prohibit Federal employees who are not members of the union from soliciting a contribution, and there is a special exemption in this bill

that I believe is not a wise or fair exemption.

Currently, all Federal employees are barred from soliciting political contributions. The Senate bill before us, S. 185, alters this prohibition by allowing union members to solicit contributions from fellow union workers. The amendment that I am offering would maintain the current law prohibition against soliciting political contributions in all cases.

The dangers inherent in allowing Federal employees to solicit funds have long been recognized. In fact, prohibitions against soliciting contributions were in existence for more than 50 years before the Hatch Act was passed in 1939. In 1882, the Supreme Court, in *Ex parte Curtis* upheld the prohibition against Federal employees soliciting other Federal employees for political purposes.

I think, Mr. President, that we are all well aware of the subtle pressures that accompany a request for money, particularly for political purposes. In my view, opening the door to the possibility of these pressures is unwise, especially in light of the fact that union employees can currently contribute to their union PAC's if they wish to do so.

Proponents of this exemption excuse the possibility of subtle abuses and argue that allowing solicitation within the union is a simple change that eliminates the dodge of bringing retirees in to seek contributions, which can now be done. Retirees of the union can solicit within the union.

Mr. President, this exemption would instantly grant fundraising authority to some 1 million union members in the Federal and postal work force. This is a substantial change that would undoubtedly increase the influence and financial power of the union PAC. This is especially troubling and ironic in light of the fact that the Senate recently passed a campaign finance bill that limited the influence of PAC's and PAC funds, and I believe rightly so, Mr. President, even though they do hold a place in our political system.

In addition, allowing solicitation even off the job would undoubtedly place employees in an awkward and uncomfortable position. The current law prohibition against solicitation provides an important protection for Federal workers who may be reluctant or unable to contribute to their union PAC.

I realize that some may argue that the private sector allows employees to solicit funds from fellow employees. It is true that businesses take political stands and solicit the sometimes reluctantly given help of their employees. This is an unfortunate situation in the private sector. But it is an intolerable situation for Government, which must be responsible for impartially carrying out its mission of serving citizens. Jeopardizing this neutrality is a risk that we cannot afford to take.

Mr. President, I have not in the past supported many of the reforms that have been set forth in similar legislation. However, after careful thought, I have decided that it is necessary to ease certain Hatch Act restrictions that are now set forth in S. 185. For example, I support eliminating the ambiguity in current law, and I also support according Federal employees the right to participate, limited as it may be, in political activities on their own volition. However, I think it is imperative that we draw the line somewhere to ensure impartiality of the Federal work force. It is a protection for them; it is a protection for us. And I believe that allowing solicitation would cross that line and threaten political neutrality.

Furthermore, proponents of Hatch Act reform legislation have long called for fair treatment of Federal employees. And I agree that Federal employees should be treated fairly. While S. 189 accomplishes this goal in many ways, it creates an additional political privilege for union employees by allowing them to solicit political contributions. The amendment that I will offer would correct this inequity by ensuring that all Federal employees, including those in Federal labor organizations, are prohibited from soliciting funds.

It is very clear cut, it is very simple, and I believe that it keeps the playing field level.

During debate on S. 185, proponents have called for eliminating the confusing and inconsistent aspects of the Hatch Act. I believe that clear lines must be drawn. However, S. 185 as it is currently written creates new confusion and is inconsistent in its distinction between union and nonunion employees.

If the goal of this legislation is to establish clear lines, it should not create another hazy distinction. Furthermore, I do not understand why the proponents are willing to allow union employees to solicit funds when they admittedly recognize the dangers of allowing Federal employees to solicit funds from the general public. This amendment would end the confusion by prohibiting solicitation in all cases.

I understand that the Senate bill is less expensive in this area than the House bill. However, I am convinced that this bill itself goes too far with regard to soliciting funds. The amendment that we are offering will eliminate the potential for subtle coercion and pressure that accompanies a request for political contributions.

I urge my colleagues to adopt it.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Kansas reserve the remainder of her time?

Mrs. KASSEBAUM. Yes, Mr. President.

The PRESIDING OFFICER. There are 12 minutes, 30 seconds remaining.

Mr. GLENN. Mr. President, are there 40 minutes allotted, equally divided?

The PRESIDING OFFICER. That is correct.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

Mr. President, I appreciate what the Senator from Kansas is trying to do. I know personally of her long interest in this and her interest in seeing that we get some of these things straightened out in the right way.

This amendment, however, as I understand it, is pretty much identical to an amendment that in 1990 was voted down by the Senator 63 to 35. In 1992 the Governmental Affairs Committee also rejected the amendment when it was offered by Senator ROTH. I believe it was the same amendment, or near an identical amendment, and it was voted down by the committee by 8 to 4.

Currently the rules for establishing and operating a PAC are found in Federal election laws administered by the FEC. The laws allow each PAC to decide which of its members may solicit contributions for the PAC. If the Congress prohibits PAC's as part of campaign finance reform, then Federal employees and postal PAC's would also be eliminated.

Under the current Hatch Act, Federal employees are prohibited from active participation in partisan political activities. Therefore, these employees are prohibited from being designated by a PAC to solicit campaign contributions.

How do they get around that, because they still have PAC's, and we still know they have money? I will tell you how. It is a little subterfuge, a little dodge. They cannot do it legally, and we have never corrected this—we say, OK, they can have some of their retirees do it from them and contribute the money to the PAC, or ask people to voluntarily give money to the PAC.

Well, that is just a dodge; it is a subterfuge. It gives the appearance of obeying the law, while at the same time finding a loophole to come around and in the back door and say we are still going to get money in the PAC.

Well, what we do in S. 185 is correct that. We make it very straightforward and we say that people can solicit money, still with very careful limitations, and only from within their own employee organization and not from any subordinate; and the money would go directly into the PAC, and it would stop this dodge and inconsistency of having to ask some of their retirees to do that job for them. It allows for employees to play an active role in the operation of any PAC to which they may belong, so long as that PAC is comprised solely of Federal or postal employees, and provided that no one asks for a contribution from a subordinate employee.

This means that a Federal or postal employee could—if designated by his or her PAC—solicit PAC contributions off the job. You cannot go in the office—once you are designated as that PAC's person—to ask for contributions. You cannot come in the office and say, "Will you contribute." It would still have to be off the job.

We prohibit all political activity on the job with S. 185. I keep hammering that, and hammering that thought home, because there has been so much misunderstanding. We tighten up the Hatch Act and make it tougher than it now is. No political contributions, no political activity, no wearing of a button on the job. So all we are talking about here is soliciting PAC contributions, designating an employee—off the job—to the PAC or the organization of which both the employee and the donor belong, and provided, as I say again for the third time, that the donor was not a subordinate employee.

S. 185 does not allow Federal employees to solicit funds on behalf of individual candidates. Not one of us here in the Senate could go to a PAC and say: Raise money for me and contribute to my PAC and go out and solicit for me money to be paid to my PAC. You could not do that.

You could not solicit directly for political parties. It can only be support for the PAC of the employee organization to which that person belongs. It does not allow employees to solicit contributions from the general public, which the House bill does. This bill does not do that. The PAC provisions are limited to organizations already in existence at the time of the bill's enactment.

So it does not create a new money pool of PAC money. The extent to which Federal employees would be able to engage in any political fundraising activity would be strictly limited under S. 185. Federal employees would not be able to solicit political contributions from anybody, except other members of their employee organization, who are not subordinate employees.

Furthermore, solicitations could only be made on behalf of their organization's political committee. Under S. 185, Federal employees cannot solicit funds on behalf of individual candidates, nor can they solicit funds for other PAC's or for political parties. Fundraising cannot be conducted while the employee is on duty, while in uniform, or while using a Government vehicle.

What does all this mean? It means Federal employees cannot solicit contributions from the general public. It means that a Federal employee will not be able to solicit contributions on behalf of the candidate of their choice from anyone. Nothing on the job—zero.

It means that no partisan political activity can occur during working

hours, even if it involves two members of the same Federal employee organization.

So I repeat, we tighten up the Hatch Act measurably on the job. On the job, zero, no contribution requests, nothing can be given. It would be illegal to give as well as to ask for. No buttons will be worn on the job. Nobody will be coerced. We tighten up the Hatch Act on the job.

In return for that, we say that off the job a person that cannot contribute the \$1,000, which is legal under the Hatch Act and under current law—any Federal employee can contribute a check directly to their candidate of their choice. That is under current law. That is not changed.

They can put a yard sign in, and that shows what they are thinking about. They can put signs all over their yard and all over their car, if they want to. They can go to a rally, and they can wear buttons to work. Those things are legal right now.

So, what we do is tighten up on the job on what can be done and what cannot be done.

Mr. President, at the appropriate time before the voting time I will probably move to table the amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Ohio reserves the remainder of his time.

The Senator from Ohio has 12 minutes remaining, and Senator KASSEBAUM has 12 minutes remaining.

The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Senator KASSEBAUM asked me to speak on her time but I do not want to interfere with the distinguished chairman if he wants to speak on this also.

Mr. ROTH. I plan to speak, also.

Mr. DOMENICI. Could we split the time?

Would that be fair with the Senator?

Mr. ROTH. Yes.

Mr. DOMENICI. I yield myself 6 minutes and then yield the floor to the chairman.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 6 minutes.

Mr. DOMENICI. Mr. President, in 1990 I offered an amendment that excluded Federal employees of certain sensitive departments and agencies from participating in political activities because it had the potential of compromising their professional duties and leaving the impression that they are easily compromised.

The ranking member of our committee on the floor is going to offer an amendment later on to expand on what is in this bill in terms of the exclusion and I am a cosponsor and will help him with that if he needs my help but I am going to support it wholeheartedly.

This amendment also included language that would bar any solicitation

or acceptance of political contributions by employees of the Federal Government, the one I offered in 1990. I believe these concerns are as valid today as they were then.

I support Senator KASSEBAUM's amendment to bar solicitation of political contributions by Federal Government employees. As in 1990, I support some modification to the Hatch Act that would permit Federal employees to participate in significantly more ordinary citizen activities relative to the electoral process. At the same time, nothing precludes a Federal employee from contributing to a political candidate, nothing permits them now without any change in the law, nothing precludes a union member from voluntarily giving money to its union PAC, it is purely voluntary. That is the law now.

I believe that this spirit of voluntary participation is appropriate and it should continue. S. 185 now permits union members to solicit contributions from other union members as long as they are not subordinate employees. I have to question why we should introduce this new element into this voluntary system. It seems to me that since employees can already provide moneys to their favorite candidates or to their PAC, that we should not inject or interject any additional element that has the potential of placing partisan politics into professional relationships.

Frankly, I just see no merit to this. Instead I see the possibility of accusations being made that may not be true, and changing the relationship between workers that do not need to be changed. Prohibiting solicitation or acceptance of contributions just keeps politics out of the picture. It is simply a fairness issue for all concerned.

This is not an issue of depriving Federal employees of any fundamental rights unless you want to say that employees of the Government who are not union members cannot solicit the same way union members can. I have nothing against unions. In my State they are doing an excellent job, many of them are my friends but I do not understand why you are now going to say employees of the Government who are not union members cannot solicit the same way as union members. It seems patent to me. This is an effort to put more into the PAC's of the unions which we already know have a very, very big predisposition in terms of party politics.

In other words, the way I read S. 185 only union members can solicit moneys. If it is such a good thing why only union members? Why not other non-union Federal employees? Do we only trust this right to be in one institution, either a union or something very much like it? It makes no sense to me. I think it is just not needed, period. We do not need Federal employees asking

for contributions from other employees with all the potential problems that it can produce, and it will.

From a practical perspective S. 185 under it it seems to me that every Federal employee who is a member of a union would have to, one, ensure who he or she is talking to off duty, is already a member of the union and, two, is a subordinate employee. So what is the Federal economy going to say then: Oh, I am sorry I was going to ask you to give some money to help with X candidate but I guess I should not ask you?

It seems to me that since the union Federal worker can already give money to a candidate of his choice or to the union PAC if he or she is a member, then let us just leave the present law as it is. To the extent that we want Federal employees to put all their money in one place and support candidates that is happening now.

Is it the purpose of this bill to make that even more so, to the detriment of those employees who do not happen to belong? I do not think that is what we ought to be doing.

I yield the remainder of my time, if any, to Senator ROTH and he has additional 6 minutes under the Kassebaum amendment.

The PRESIDING OFFICER. The Chair will advise the Senator from Ohio has 12 minutes remaining and the Senator from Kansas [Mrs. KASSEBAUM] has 7 minutes 30 seconds.

Mr. GLENN. I yield myself such time I may require.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I point out to our distinguished colleague from New Mexico this does not apply just to unions. It is not just to unions, it is to any employee organization and all of them are not unions.

I would also point out that these solicitations are only permitted for multicandidate PAC's. You cannot solicit for an individual. For a multicandidate PAC.

But I also say that one of the reasons for writing S. 185 the way it is written is you can even term honesty in Government provision if you wanted to overblow this maybe just a little bit. But right now what happens is that you have an organization, they have a PAC. It is Government employees, and because of the current restrictions they have their retirees do the fundraising for the money for the PAC.

Oh, we say why go through a dodge like that? If you want to operate Government by subterfuge, Government by behind a very smokey glass of some kind there you do not want to be really straightforward about what is going on, then you have the retirees come in and do it. I am sure they are just as public-spirited as they have ever been, and 99¹/₁₀₀ percent of Government employees are just trying to do the very finest job they can. They are not trying to evade the law or do anything

dishonest or anything that would be improper.

So why have to rely on the retirees? Why not have designated people within the PAC who can come in and they can, off duty now not on the job, but strictly off duty can say: OK, we contribute to a PAC. I am contributing, will you? They are the designated hitter, in effect. They are the people who will do that kind of fundraising and it does not have to go through subterfuge, this dodge of getting the retirees to come in and do it for us here. Why not be straightforward about these things?

Keep coming up about all these subtle pressures, I do not think it is very subtle when under current law an IRS person or anybody else in any one of these Government agencies right now can write a check now or are permitted to be right now.

Of course they are. Nothing says that you prohibit all political activity by Government employees. Right now every Government employee can write a check of \$1,000 to a candidate of their choice. They can also put yard signs out. They can cover up their front yard with yard signs. They can put yard signs all over their car, bumper stickers all over the place, drive around town pointing to the yard sign on the car. Is that illegal? No, it is not under law. Can they go to a rally? Yes, they can go to a political rally. But take one of the yard signs in the political rally, wave the sign a little bit, take one sign into that rally and wave it in the rally that is illegal. That it is so shows only of the inconsistency of the Hatch Act now.

That is the kind of thing we are trying to correct.

You talk about subtle pressure, you are, let us say an IRS agent is auditing and you go down for this audit, and there sits the IRS agent with a great big Bush campaign button. It can be any size of inches across if you like, he is going to do the audit, it gives you a little idea what that person's views are when you are asking questions, it sure does. That is permitted under current law though those people who think everything under the Hatch Act is so pristine pure, they have not read the Hatch Act that is all. We tighten up on things like that with this. We make the Hatch Act tougher.

This is not the House bill, as I keep pointing out. So what we try to do and the reason I oppose this particular amendment is because by saying that what we are trying to do by knocking out what we are doing in S. 185, which this amendment would do and say there can be no solicitation at all, all we are doing is say we will just continue with the same old dodge that the retirees will go around and do the solicitation.

What we say is why not be honest about this thing and say the employee organization or active employees there

they have a designated hitter that can raise funding but not on the job. If that person wants to go around to a non-subordinate someone not their subordinate say you can contribute to the PAC it for employees. It is a multi-candidate PAC.

I just think that is honesty in Government. That is doing things in the open the way it should be done and not by some subterfuge in some circuitous route.

I reserve the remainder of my time.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Ohio has 6 minutes and 36 seconds remaining. The Senator from Kansas [Mrs. KASSEBAUM] controls 7 minutes and 30 seconds.

Mr. ROTH. Mr. President, I yield myself such time as I may take.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware under Senator KASSEBAUM's time.

Mr. ROTH. Mr. President, last Thursday's New York Times headlined its principal editorial with the words "Save the Hatch Act."

The chairman keeps talking about the fact that S. 185 strengthens the Hatch Act, but that is directly contrary to what over 100 different editorials scattered throughout this country have had to say. Some of them are admittedly directed at the House bill, which is stronger or goes further towards relaxing the standards, but, basically, many of them address the Senate bill, including the New York Times.

Today, the New York Times has a second editorial which has as its headline: "Mr. Glenn Hatchets the Hatch Act." It points out that the Republicans are offering two amendments that would do much to improve the Democratic bill. One is the Internal Revenue Service examiners and auditors, which I just offered a few minutes ago. But the other that the New York Times endorses would keep all Federal employees from participating in political fund-raising.

The editorial points out that the Senate bill is not as irresponsible as the House bill, but then it goes on to point out that: "The Glenn bill would free Federal civil servants, including prosecutors, to do campaign work in their off hours. Worse, it would allow Government workers to solicit co-workers for contributions to their union PAC's."

It points out: "The measure does contain penalties for coercion. But—as I have been saying and the editorial agrees—"in the real world, these penalties would not provide adequate protection against the subtle pressures Federal workers will inevitably face to contribute their time and money to partisan causes."

It then points out that: Pressed by Senator DOLE and myself last week, there were modifications made to

"keep existing restrictions for top-level bureaucrats in the Senior Executive Service, administrative law judges, the Board of Contract Appeals, and a dozen sensitive security agencies, including the CIA, the FBI and the Defense Intelligence Agency.

"But heeding the wishes of his party and the union officials who hovered within close earshot of the negotiations, Mr. GLENN insisted on relaxing Hatch Act prohibitions on IRS examiners and auditors, notwithstanding the Nation's strong stake in keeping the tax agency completely untainted by the appearance and reality of partisanship."

Then it points out:

With President Clinton apparently ready to sign any Hatch Act changes Congress presents, today may be the last chance to frame a more reasonable revision. The Republican amendments now give Democrats a heavy burden. Let them try to explain—with a straight face—why it is in the public interest to throw IRS agents and the rest of the Federal work force into the thick of Washington's political money game.

Mr. President, I ask unanimous consent that the text of the editorial in today's New York Times be printed in the RECORD.

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

[From the New York Times, July 20, 1993]

MR. GLENN HATCHETS THE HATCH ACT

All the lofty promises of political reform cannot hide one bedrock truth: In Congress, big money still talks. Today, the millions of dollars that Federal and postal union political action committees pour into Congressional campaigns will be talking loudly when the Senate takes up a misguided Democratic plan to ease Hatch Act restrictions on partisan political activity by Federal employees.

Two Republican amendments would do much to improve the Democratic bill. One would maintain current Hatch Act restrictions for Internal Revenue Service examiners and auditors. The other would keep all Federal employees from participating in political fund-raising.

The Hatch Act overhaul proposed by Senator John Glenn, Democrat of Ohio, isn't as damaging as the utterly irresponsible revision approved by the House in March. In contrast to the House measure, Mr. Glenn's bill would maintain the present restrictions that prohibit Federal employees from running for elected office and soliciting political contributions from the public.

But the Glenn bill would free Federal civil servants, including prosecutors, to do campaign work in their off hours. Worse, it would allow Government workers to solicit co-workers for contributions to their unions' PAC's.

The measure does contain penalties for coercion. But in the real world, these penalties would not provide adequate protection against the subtle pressures Federal workers will inevitably face to contribute their time and money to partisan causes.

Pressed last week by the Senate minority leader, Bob Dole, and Senator William Roth, Republican of Delaware, Mr. Glenn agreed to modify his bill to keep existing restrictions for top-level bureaucrats in the Senior Executive Service, administrative law judges,

boards of contract appeals and a dozen sensitive security agencies, including the C.I.A., the F.B.I. and the Defense Intelligence Agency.

But heeding the wishes of his party and the union officials who hovered within close earshot of the negotiations, Mr. Glenn insisted on relaxing Hatch Act prohibitions on I.R.S. examiners and auditors, notwithstanding the nation's strong stake in keeping the tax agency completely untainted by the appearance and reality of partisanship.

He also dismissed as non-negotiable the Republicans' sensible efforts to bar all Federal employees from soliciting, accepting or receiving any political contributions—a reminder, in case anyone had forgotten, that money, not free speech, is what's really driving the Democrats on this issue.

With President Clinton apparently ready to sign any Hatch Act changes Congress presents, today may be the last chance to frame a more reasonable revision. The Republican amendments now give Senate Democrats a heavy burden. Let them try to explain—with a straight face—why it's in the public interest to throw I.R.S. agents and the rest of the Federal work force into the thick of Washington's political money game.

Mr. ROTH. Mr. President, I congratulate my distinguished colleague from Kansas for the amendment she has offered today. It would, of course, strike from the bill the authority to allow Federal and postal employees to solicit political contributions.

Now it has been argued by my distinguished chairman that the PAC provision in the bill is merely a technical change; it is not that much different than current law. But I have to say that this is no small technical change. This one provision alone will allow nearly 1 million Federal and postal employees to solicit political contributions from one another. That is a very significant change.

Proponents suggest that this amendment is not needed because Federal employees can already contribute money contributions. We all know that. This amendment would not change that. That argument, Mr. President, is the biggest red herring I have ever seen.

What the bill would change, however, is to allow nearly 1 million employees to solicit contributions in a way that is not permitted under current law. Of course Federal and postal employees can contribute money to political action committees. They do so to the tune of more than \$3 million per election cycle. This amendment is aimed at who is doing the soliciting. It simply strikes the ability of Federal and postal employees from soliciting from each other.

This is not current law—Federal employees cannot solicit from other Federal employees, and this amendment would conform this legislation to current law.

More than 100 years ago, the Congress enacted, the President signed, and the Supreme Court upheld a prohibition against Federal employees contributing to or soliciting other Federal

employees for political purposes. This legislation would repeal a similar provision in current law.

In 1882, the Supreme Court considered a case *Ex parte Curtis*, which arose before the major civil service reforms of both the Pendleton Act and the employee protections of the Lloyd-LaFollette Act and the Hatch Act. In this case, the Supreme Court upheld a prohibition against Federal employees contributing to or soliciting other Federal employees for political purposes.

Why is it that proponents are so interested in repealing more than 100 years of precedent in this area? Because as the *New York Times* pointed out in its editorial last Thursday, July 15, 1993:

It's greed time in the nation's Capitol. Congressional Democrats, grateful for years of generous campaign giving by Federal and Postal union political action committees—and eager for more help in the future—are about to relax Hatch Act restrictions on active participation by Federal employees. * * * For now, Senate Democrats seem determined to get Federal civil servants in the business of hustling political contributions from their co-workers. That makes it plainer than ever: The Democrats' biggest concern here isn't free speech or good government but political money and influence.

I ask unanimous consent that the entire *New York Times* editorial be printed in the RECORD.

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

[From the *New York Times*, July 15, 1993]

SAVE THE HATCH ACT

It's greed time in the nation's capital. Congressional Democrats, grateful for years of generous campaign giving by Federal and postal union political action committees—and eager for more help in the future—are about to relax Hatch Act restrictions on "active" partisan political activity by Federal employees.

From the public's standpoint and that of Federal workers who would face pressures to give money and time to partisan causes, it's a bad idea. But the House approved a bill in March, and President Clinton says he will sign any Hatch Act revision that Congress serves up. Thus, some weakening of the 1939 act seems inevitable this year.

The extent of the overhaul is now squarely before the Senate. The Senate majority leader, George Mitchell, and his Democratic colleagues can show character by accepting a reasonable Republican proposal that would maintain current Hatch Act restrictions for the most sensitive Government posts and agencies, and keep all Federal employees out of the political fund-raising game.

Critics of the Hatch Act complain it stifles the political rights of Federal employees. But even "Hatched" workers can vote, make political contributions and participate in their off hours in nonpartisan political activities. While some of the rules are needlessly complex, the remaining curbs on partisan activity, designed to protect the public from a politically tainted Civil Service, have been upheld by the Supreme Court.

Unlike the aggressively misguided revision rushed through the House in March, the measure proposed in the Senate by John Glenn, Democrat of Ohio, would still pro-

hibit Federal employees from running for partisan elected office and soliciting political contributions from the public. However, like a similar measure wisely vetoed in 1990 by President Bush, the Glenn bill would allow civil servants to serve after working hours as active party and campaign workers and, more troubling, to solicit co-workers for contributions to their union's PAC's. Mr. Glenn provides penalties for coercion, but they are inadequate to protect Federal employees, who can now turn aside political overtures by saying, "Sorry, I'm Hatched."

The Senate minority leader, Bob Dole, and Senator William Roth, Republican of Delaware, have now proposed a reasonable compromise. Their amendment would exempt from the proposed relaxation on partisan politicking high-ranking career employees across Government who work closely with political appointees. It also excludes the intelligence services and other sensitive agencies like the Justice Department and Internal Revenue Service, where maintaining the perception and reality of nonpartisanship is crucial. All Federal employees would be barred from soliciting, accepting or receiving political contributions.

For now, Senate Democrats seem determined to get Federal civil servants in the business of hustling political contributions from their co-workers. That makes it plainer than ever: The Democrats' biggest concern here isn't free speech or good government but political money and influence.

Mr. ROTH. Mr. President, this amendment would cure what we believe is a blatant defect in this legislation. As it now stands, this legislation would open the door to even greater PAC collections. This is at the same time the Congress is considering campaign finance reform.

One of the principal thrusts of campaign reform is to do something about PAC's. PAC's are seen as an undesirable method of fundraising. So why is the majority proposing we expand PAC's less than 1 month after the Senate voted to eliminate PAC's completely?

Isn't it ironic that in one of the first bills we are considering after campaign finance reform, a measure which would ban PAC's, the majority is proposing to strengthen employee organization PAC's.

What is the rationale for such action? To correct "a dodge," as the distinguished Senator from Ohio suggested on Thursday? I do not think so. Not only would this legislation expand PAC's, but when one examines where Federal and postal employee PAC contributions go, one begins to understand the very impetus behind this legislation.

Of the total political contributions given by these PAC's in 1990 and 1992, 89 percent went to Democratic candidates and 11 percent went to Republicans. In 1987 and 1988, 88 percent went to Democratic candidates and 12 percent went to Republicans. No wonder the Democrats want this provision so badly.

The distinguished Senator from Ohio will argue that the provision in S. 185 which prohibits superiors from soliciting subordinates provides sufficient

protection for subordinates. Yet, given the level of movement within the Federal work force, an individual who is a colleague or peer one day can be promoted into a supervisory position soon thereafter. Knowing this, employees will feel pressure to contribute involuntarily. No one desires this result. This amendment will remedy it.

In addition, if a superior is known to favor one political candidate over another, one of the subordinates may think it pleasing to the superior to solicit contributions from the subordinate's colleagues. Even if the superior does not solicit the subordinate, those being subordinated will feel pressure to contribute.

The distinguished Senator from Ohio attempts to narrow the expansive nature of this provision of S. 185 with the argument that unions will designate members to solicit other members. But there is nothing in the bill which would require such designations. Perhaps the chairman will point out to me in the bill where such designations are required. But I have not found it.

And as a result, let us be clear about what this provision does—it will expand by nearly 1 million individuals the number of people who could solicit contributions for these PAC's. Make no mistake regarding this provision.

Under this scenario, any members of the network can solicit contributions, pledges, payment for services, or services themselves from any other member of the network. Congress will have created a much greater political force in postal and Federal employees organizations.

I understand the Senate bill is less expansive than the House bill. But as we consider breaking more than 100 years of precedent in this area, we should be mighty careful. Unfortunately, by allowing solicitation, even within one's own PAC, this will have an enormous impact on the amount of pressure, subtle as it may be, on an employee to become involved in partisan political activity against his will.

Mr. President, this amendment would prohibit soliciting by Federal employees for political contributions and action committee funds. This is the current law, nothing more, nothing less. I urge my colleagues to adopt this amendment.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio for the 6 minutes remaining.

Mr. GLENN. Mr. President, I have said before during consideration of this act, I never cease to be amazed by some of the things being said about it, including those things said by the New York Times.

The implication that suddenly we are just taking all restrictions off just is

not correct. The solicitations permitted right now under the Hatch Act by retirees who raise money, who go and raise money of members of the organization to contribute to a PAC, are permitted right now. That is a dodge. That is not straightforward. It is a way of getting around what people thought were restrictions.

Why not be straightforward about this thing? Why not say the employees can, for this multicandidate PAC, ask for their contributions openly, straightforwardly, off the job. They cannot do anything political on the job. That is where we tighten up. People keep ridiculing this, making fun of it, that we have not really tightened up the Hatch Act. I think it tightens it up considerably when you say you cannot even wear a campaign button to work, you cannot do any political speech-making at work, you cannot go solicit people to vote for a certain person at work. I think this tightens things up. So I think it is a better Hatch Act with this change that we have with S. 185.

Why not let people? If we are going to have PAC's and they are still legal—maybe one of these days under campaign reform we will do away with PAC's. When we do that, that is a different ball game. But right now PAC's are still permitted. But to say the only way you can have an employee group that wants to form an interest group in their workplace, they want to have a PAC—and that is not illegal now—but the only way they can raise any money for that PAC is to have the retirees come in and solicit people? Why not be straightforward and just say the members of that organization can solicit off the job and raise money for that PAC? It is all straightforward, it is all reported, and that is the way we do it.

If there is coercion, right now if there is anybody who tries to coerce, I read into the RECORD a little earlier all the Federal laws that apply. If anyone tries to coerce someone else or tries to put pressure on them, there are very stiff penalties: Being fired, jail terms, a \$10,000 fine, and so on.

So right now, people can be political. They can write a check, put the yard signs out, car signs, go to a rally, wear buttons to work, and so on. That is all permitted right now. That would not be changed under this at all. All we are talking about with this particular amendment is whether we are going to be straightforward and honest about letting people solicit for contributions for their employee PAC, multicandidate PAC. It cannot be designated for a particular person except with the whole PAC operating together as their PAC contribution.

I just do not see anything wrong with what we have provided for under S. 185. At the proper time, I will move to table the amendment.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Chair advises the Senator from Ohio he has 2 minutes remaining.

Mr. GLENN. Mr. President, I also add, as I said a little while ago, the administration has indicated to us they oppose this amendment.

I yield the remainder of my time.

Mr. SIMPSON. Mr. President, I rise to commend Senator KASSEBAUM for offering this very important amendment, and I am pleased to support her efforts.

Under this bill, Federal union members would be allowed to ask other fellow union members for campaign contributions to their political action committees or PAC's, off duty. Do we really believe that no one would dare approach a fellow union member on the job, by the water cooler perhaps? Why in an ideal world, no one would ever do something like that. But unfortunately we don't live in an ideal world. We know full well from experience that human beings will do these things. When your boss mentions at a weekend picnic that you might want to contribute some money to his favorite PAC, it would certainly get your attention. Surely, we are not all that naive to believe that will not happen. Because that is exactly what will happen if we do not approve this amendment offered by our distinguished friend from Kansas, Senator KASSEBAUM.

Mr. President, Senator GLENN has told us on more than one occasion during the course of this debate that he cannot support this amendment because it would put an end to Federal employee PACs as they exist today. That simply is not correct. This amendment merely restores existing law. Let me repeat: it puts us at square one—right where we are today. As we all are very well aware, Federal employee PAC's are alive and kicking and doing quite well, thank you, at this very moment. So let us lay that argument to rest right here and now.

But suppose, for the sake of argument, that the Senator from Ohio is right and this amendment does in fact put an end to Federal employee PAC's. If that is indeed his rationale for opposing this amendment, then I do find it curious that on May 26, he voted in favor of the Pressler amendment to the campaign finance reform bill. That amendment expressed the sense of the Senate that special interest PAC's should be eliminated. The Senator from Ohio, and the rest of the Senate agreed: we should crack down on PAC's to achieve real reform in our campaign finance laws.

That vote occurred less than 2 months ago, and today a whole slew on the other side of the aisle are gearing up to change that vote. Sure we want to ban PAC's, but if a PAC happens to provide 90 percent of its money to Democratic Party candidates, then we must ensure its survival.

This bill doesn't reform the Hatch Act. It guts it. Quite frankly, when you

take existing law—which states that “Federal employees may not solicit” and remove “may not” and replace it with “may”—you are in essence erasing all that the Hatch Act is really about. Mr. President, I urge my colleagues to remember the importance of consistency and to support the Kassebaum amendment.

The PRESIDING OFFICER. Under the previous order the Kassebaum amendment No. 601 is laid aside. The next order of business will be the Senator from Delaware being recognized to offer an amendment on which there will be 30 minutes for debate equally divided and controlled in the usual form.

The Chair will then recognize the Senator from Delaware [Mr. ROTH].

AMENDMENT NO. 602

(Purpose: To provide that employees of the Criminal Division of the Department of Justice may not take an active part in political management or political campaigns)

Mr. ROTH. Mr. President, I send an amendment sponsored by myself, Mr. DOMENICI, Mr. DURENBERGER, and Mr. GRASSLEY to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. DOMENICI, Mr. DURENBERGER, and Mr. GRASSLEY, proposes an amendment numbered 602.

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

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

The amendment is as follows:

On page 17, insert between lines 15 and 16 the following new paragraph:

“(3) No employee of the Criminal Division of the Department of Justice (except one appointed by the President, by and with the advice and consent of the Senate), may take an active part in political management or political campaigns.

On page 17, line 16, strike out “(3)” and insert in lieu thereof “(4)”.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware for 15 minutes.

Mr. ROTH. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 5 minutes.

Mr. ROTH. Mr. President, my amendment states simply that employees of the Department of Justice Criminal Division may not take an active part in political management or political campaigns.

Why the Criminal Division within the Department of Justice? Because as the Nation's top prosecutor, the Criminal Division is responsible for our country's most sensitive prosecutions—cases involving major drug and narcotics distribution, bank fraud, terrorism, racketeering, and organized crime. The investigation and prosecu-

tion of such cases requires the utmost sensitivity in avoiding the appearance of impropriety and conflicts of interest. A prosecutor active in partisan politics is more likely to be tainted by a political bias, which will lead to difficulty in avoiding such conflicts.

Criminal prosecutors necessarily exercise a great deal of discretion in deciding who to investigate or who to prosecute. IRS criminal investigators and FBI agents clearly have an important role to play in deciding whether criminal prosecutions are to be brought, and we are right to be sensitive about insulating them from political influence and political interference. The step we took on Thursday in excepting these employees was clearly a step in the right direction.

It makes little sense to prohibit the investigators from taking an active part in partisan activity and to allow prosecutors to be active in partisan causes. It is the prosecutor who makes the final decision about whether or not to bring a prosecution. That is why it is so important that those in the Criminal Division be exempt from the changes in the Hatch Act. Prosecutors should be kept free of even the appearance, even the suspicion, of political influence and favoritism.

The Justice Department has long recognized the need to insulate sensitive prosecutive decisions from political influence. That is why criminal tax prosecutions, criminal civil rights prosecutions, and criminal RICO prosecutions must generally be initially authorized by career Department of Justice personnel in Washington, DC, rather than by politically appointed U.S. attorneys. Allowing career criminal prosecutors to become heavily involved in political activity would undermine these efforts.

Without this amendment, employees with such discretion would be able to actively participate in partisan politics. My concern, Mr. President, is that this would undermine public confidence in our Federal criminal justice system and risk creating an appearance of political influence on prosecutive decisions that ought to be based solely on the evidence and the law.

Mr. President, the Senate took the important step last Thursday of prohibiting employees of the Office of Special Counsel from taking an active part in political management or political campaigns. I believe that Senate acted out of concern over perceived conflicts of interests of individuals who are responsible for enforcing the Hatch Act and bringing civil actions for alleged violations of the law. Having taken that step, what about Federal prosecutors who investigate and prosecute criminal matters related to allegations of such wrongdoing?

The public integrity section within the Criminal Division is the linear descendent of the Watergate Special

Prosecution Force. It was believed that the Department needed to have specialists insulated from all political interference. The public integrity section manages the Federal Government's responsibility for prosecuting corruption of Government processes at all levels of Government.

The public integrity section prosecutes all forms of campaign finance crimes, and bribery and extortion involving Federal officials.

The public integrity section of the Criminal Division is responsible for investigating and prosecuting public officials including cases against Members of Congress and Federal judges. It is not unheard of for defendants whose political careers may be on the line to see if they can get the indictments dismissed through the use of private investigators to investigate the prosecutors in order to find a basis for such dismissal.

What would the people think of a prosecution by a Criminal Division lawyer who was an active partisan at night against an important Member of Congress of the opposing party? The Governmental Affairs Committee has ordered reported the reauthorization of the independent counsel law in order to assure the American people that in critical cases involving Washington's top public officials that there is no bias for or against the defendants in the prosecution.

Why is it so easy to see the need to avoid perceived political conflict of interests on the one hand and not on the other? How is it possible for the committee to be so concerned about the problem one day and so oblivious the next? Anyone who is concerned about impartiality and credibility of Government should support this amendment.

Mr. President, the Federal Bar Association testified that Federal attorneys should be exempt from S. 185. Prosecutions by the Criminal Division and the Public Integrity Sector are, by their nature, very public matters. This amendment is the least we can do to ensure the American people that the Nation's laws are being administered on a nonpartisan basis. The Criminal Division is a relatively small unit of Government—about 770 people—but it is one of the most important and most sensitive in Government. For that reason, I urge the adoption of my amendment.

I yield the floor, reserving the remainder of my time.

The PRESIDING OFFICER. The Senator from Delaware yields the floor. The Chair advises the Senator from Ohio that he has 15 minutes remaining and the Senator from Delaware 7 minutes. The Senator from Ohio [Mr. GLENN] is recognized.

Mr. GLENN. Mr. President, once again, as many times on the floor and in this debate since we started, I find myself talking about things that are

already permitted under the Hatch Act as though they are not under the Hatch Act now and opposing amendments which purport to correct something that I just do not think needs correcting.

I will say all these things my distinguished friend across the aisle comments on about what if we let them be active at night, once they went home, once they are off duty? "What if," as though S. 185 is going to permit that and as though they cannot do anything at night right now.

That person right now, whether he or she be in the Justice Department as a prosecutor, or wherever, can go home and write a check for \$1,000, if that person wants to, for a candidate of his or her choice. They can put up yard signs. They can walk around their neighborhood with signs if they want to. They can put signs or bumper stickers all over their cars and go to rallies. They can wear buttons to work. They are permitted that kind of political activity right now. In some of those areas, S. 185 tightens up.

So all these things that are tossed out here as though the prosecutors are going to suddenly be able to do all these things that are bad, they are permitted to do all those things now. I see no reason why they are going to try to do more things. In fact, we tighten up and permit them to do fewer things than they can do right now.

So that is a basic reason that I oppose this amendment.

Mr. President, the amendment would impact approximately 770 people in the Criminal Division of the Department of Justice. I point out again that in the Department of Justice, as in other agencies, there are internal agency regulations that we should certainly mention in this debate. The Department of Justice regulations on employee conduct in 28 CFR 45.735 directs that DOJ employees must disqualify themselves from a criminal investigation or prosecution if an employee has a political relationship with a person or organization related to the investigation or prosecution. An employee must also disqualify himself or herself from investigations or prosecutions if the political relationship represents an appearance of a conflict of interest, just an appearance of a conflict of interest, or an actual conflict of interest, of course.

According to the DOJ regulations, a political relationship is defined as:

A close identification with an elected official, a candidate, whether or not successful, for elective public office, a political party or a campaign organization.

That is section 45.735-4.

These restrictions apply to employees who work at the Federal Bureau of Investigation and the Drug Enforcement Agency as well.

So these are internal regulations to protect them from the abuses that we

are talking about. It should be pointed out that the regulations do not provide for punitive action against employees who maintain such involvement, only disqualification from some kinds of work.

As everyone knows, we have defeated a number of amendments to exempt certain categories of employees from the terms of Hatch Act reform in past considerations. We have defeated these amendments in committee and on the floor. We have done so for a number of reasons.

First, there are numerous statutes in titles 5 and 18 of the United States Code, which provides criminal and civil penalties for the misuse of confidential information by any Federal employee. Nothing in S. 185 will affect those prohibitions and penalties.

Furthermore, I would like to point out that the people with the greatest access to sensitive information—the agency heads, secretaries, Presidential appointees confirmed by the Senate—are currently exempt from any Hatch Act restrictions and can participate in political campaigns and fundraising activities. I think that is something a lot of people forget. They think that, if we are going to change the Hatch Act, this applies to everyone in Government service. It does not. We have some 2,000 political appointees who serve at the pleasure of the President, appointed when any administration changes. Those people are not covered at all under the Hatch Act or anything else. They are permitted to do whatever they want: Go out and give campaign speeches, raise money, do whatever. These are the people at the top levels of Government—the agency heads, secretaries of the Departments, Presidential appointees confirmed by the Senate. They are all exempt from any Hatch Act restrictions whatsoever. They can participate in political campaigns and fundraising activities as they so choose.

Second, this amendment should be defeated because S. 185 is a very moderate proposal. S. 185 strictly prohibits all Federal employees from soliciting political contributions from the general public. The House bill is not like that. I keep having to point out the differences because you would not even recognize these as addressing the same subject hardly with the differences between the Senate bill and the House bill.

Under our bill, a Federal employee will not be able to solicit contributions on behalf of the partisan candidate of their choice from anyone. Under our bill, Federal employees will still be prohibited from running for partisan elective office.

The House bill permits both those things to occur. Under the House bill, civil service people could go out and raise money from the general public—I disagree with that one—and they can

run for partisan political office. I said before, this bill does not repeal the Hatch Act, does not make changes like that. It simply continues it in a way that is more fair to Federal workers.

The fact is that 41 State governments now have more liberal Hatch acts than the Federal Government. Those States collect taxes, they enforce the laws also. There is no evidence, I believe, that those State employees in sensitive positions use their positions to influence political activity or State or local police officers who investigate crimes and complaints. I think Federal employees can, as a whole, be trusted to obey that bright line between their job and their off-duty political activities. The purpose of S. 185 is to clarify the confusion and the illogic of current law governing the political activities of Federal and postal employees and to make those laws more fair.

That is all this bill, S. 185, does.

(Mrs. BOXER assumed the chair.)

Mr. GLENN. Madam President, I reserve the remainder of my time.

I correct that. I yield myself—how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. GLENN. Madam President, the review of criminal restrictions other than the Hatch Act, which I read into the RECORD last week, I think, is worth mentioning again. We have eight different Federal statutes that apply to all sorts of coercion or intimidation or threats to try to influence Federal employees quite apart from the Hatch Act. These cover a multitude of things on trying to get people to vote or trying to affect the nomination of a candidate or trying to use a position for benefit one way or another.

Almost everything is covered by strict Federal penalties of either \$5,000 or \$10,000 fine and imprisonment of a year or more under all of these.

And they cover all of the things we seem to be debating on these amendments. Federal employees, civil service employees cannot just go out, regardless of the Hatch Act, and do some of the things that many of these editorials seem to imply they would be able to do.

What we do with these restrictions, we actually tighten up on the Hatch Act. And in return for that we say everybody should be able, as an American citizen, to have some political activity. It should go beyond just being able to contribute, which they can do now. And so that is what we permit. It is that simple.

All these dire things of what is going to happen under the act, I would say, if this passes, this is not going to be some great floodgate that opens. In fact, it is going to tighten up what they can do on the job and under very tight restrictions would permit a little more to be done off the job, as every other American can do, but still under very, very

tight controls, including all of these eight other Federal statutes that carry along with them very stiff penalties in case violations occur.

Madam President, I reserve the remainder of my time.

Mr. ROTH. Madam President, I yield myself such time as I may take.

Madam President, I find it somewhat difficult to follow the rationale of the actions on the part of the majority.

Last week, we, of course, exempted from the relaxation of the Hatch Act the Office of Special Counsel. The Office of Special Counsel is, of course, the government agency which has responsibility for civil prosecutions of the Hatch Act, and yet today we are asking that an exemption from the relaxation be made of the Justice Department's Criminal Division.

Now, the Criminal Division is responsible for prosecuting criminal violations of the Hatch Act. Obviously, those are the more serious violations. And yet we find that the majority is not willing to exempt the Criminal Division. We think this is irrational and difficult to reconcile.

I might point out that we are not only, of course, talking about prosecutions of the Hatch Act but many other sensitive areas as well such as cases involving drug and narcotic distribution, bank fraud, terrorism, racketeering, and organized crime.

As I said earlier, the investigation and prosecution of such cases requires the utmost sensitivity in avoiding the appearance of improperly and conflict of interest. A prosecutor active in partisan politics is more likely to be tainted by a political bias which will lead to difficulty in avoiding such conflicts.

I cannot emphasize too much that criminal prosecutors necessarily exercise a great deal of discretion, discretion in deciding who to investigate and who to prosecute. The step we took last Thursday in exempting FBI agents and the IRS criminal investigators was right. But we should perfect that action by accepting the amendment I propose today.

Now, proponents of S. 185 argue that Federal agencies under this legislation will retain the authority to prohibit certain sensitive employees from active involvement in political management or political campaigns. However, the text of S. 185 itself clearly indicates that agencies will have no such authority.

S. 185 provides that "an employee may take an active part in political management or in political campaigns." There is absolutely no authority provided the agencies to limit activity beyond the prohibitions expressly contained in S. 185.

We asked that question of the representative of the Federal Bar, and he so testified, that there was no discretion, that we were strictly limited as

to what could be done by S. 185. And I would like to point out S. 185 declares it is the policy of Congress that "employees should be encouraged to exercise fully, freely and without fear of penalty or reprisal and to the extent not expressly prohibited by law"—let me reread that because those words are especially important—"to the extent not expressly prohibited by law their right to participate or to refrain from participating in the political processes of the Nation."

Madam President, I read this language to state clearly, unequivocally that without an express prohibition stated in statute, the President or an agency will lack the authority, the necessary authority to provide for additional prohibitions beyond S. 185.

Mr. President, that is the reason why my amendment is necessary, and I urge my colleagues to support this amendment.

I yield the floor and reserve the remainder of my time.

Mr. GLENN. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Ohio has 4 minutes 16 seconds remaining.

Mr. GLENN. Madam President, I am a little bit surprised to hear my colleague across the aisle saying he thinks things should be prohibited by law. I gather that we should encourage people not to participate in politics. I would say it is quite all right to participate in politics unless expressly prohibited for certain reasons, and that is why the United States Code, 18 U.S.C. 594 says:

Whoever intimidates, threatens, coerces, or attempts to intimidate, threaten or coerce any other person for the purpose of interfering with the right of such other person to vote * * * or not vote—

It goes on and on.

It is voting and it is on influencing people in a certain way, in a certain job. These are all covered under eight different parts of the United States Code, which I ask unanimous consent to have printed in the RECORD.

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

REVIEW OF CRIMINAL RESTRICTIONS OTHER THAN HATCH ACT

18 U.S.C. 594: "Whoever intimidates, threatens, coerces, or attempts to intimidate, threaten or coerce, any other person for the purpose of interfering with the right of such other person to vote or to vote as he may choose, or of causing such person to vote for, or not vote for any candidate for the office of President, Vice President, Presidential elector, member of the Senate, member of the House of Representatives * * * at any election held solely or in part for the purpose of electing such candidate, shall be fined not more than \$1000 or imprisoned not more than one year, or both."

18 U.S.C. 595: "Whoever, being a person employed in any administrative position by the United States, or by any department or agency thereof * * * uses his official author-

ity for the purpose of interfering with, or affecting, the nomination or the election of any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, Member of the House of Representatives * * * shall be fined not more than \$1000 or imprisoned not more than one year, or both."

18 U.S.C. 599: "Whoever, being a candidate, directly or indirectly promises or pledges the appointment, or the use of his influence or support for the appointment of any person to any public or private position or employment for the position of procuring support in his candidacy shall be fined not more than \$1000 or imprisoned not more than one year, or both; and if the violation was willful, shall be fined not more than \$10,000 or imprisoned not more than two years, or both."

18 U.S.C. 600: "Whoever, directly or indirectly, promises any employment, position, compensation, contract, appointment, or other benefit, provided for or made possible in whole or in part by any Act of Congress, or any special consideration in obtaining any such benefit, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in connection with any general or special election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, shall be fined not more than \$10,000 or imprisoned not more than one year, or both."

18 U.S.C. 601: "Whoever, directly or indirectly, knowingly causes or attempts to cause any person to make a contribution of a thing of value (including services) for the benefit of any candidate or any political party, by means of the denial or deprivation, or the threat of the denial or deprivation, of—

(1) any employment, position, or work in or for any agency or other entity of the Government of the United States, a State, or a political subdivision or a State, or any compensation or benefit of such employment, position or work; or

(2) any payment or benefit of a program of the United States, a State, or a political subdivision of a State; if such employment, position, work, compensation, payment, or benefit is provided for or made possible in whole or in part by an Act of Congress, shall be fined not more than \$10,000, or imprisoned not more than one year, or both."

18 U.S.C. 602: "It shall be unlawful for—

(3) an officer or employee of the United States or any department or agency thereof; or

(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States to knowingly solicit, any contribution * * * from any other such officer, employee, or person. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both."

18 U.S.C. 607(a): "It shall be unlawful for any person to solicit or receive any contribution * * * in any room or building occupied in the discharge of official duties * * * or in any navy yard, fort, or arsenal."

18 U.S.C. 610 [added by S. 185]: "It shall be unlawful for any person to intimidate, threaten, command, or coerce, or attempt to intimidate, threaten, command, or coerce, any employee of the Federal Government * * * to engage in, or not to engage in, any political activity, including, but

not limited to, voting or refusing to vote for any candidate or measure in any election, making or refusing to make any political contribution, or working or refusing to work on behalf of any candidate. Any person who violates this section shall be fined not more than \$5000 or imprisoned not more than three years, or both."

Mr. GLENN. I would imply, at least from what my colleague from Delaware has said, he feels, unless something is specifically prohibited, that somehow we should discourage people from participating in the political process. I disagree with that most strongly. The people of this country are free to express their political will unless expressly prohibited. And that is what we do in the United States Code. That is what we do with the law. We say that there are certain cases where those rights to participate in the political process have to go down in the interest of greater considerations for the benefit of all the people of this country.

Now, that is what the Hatch Act was put in for years ago. The Hatch Act was put in to prevent misuse of political power in a partisan way. But there are so many things that grew up around it that were so nonsensical, things that we have covered in this debate, and all we are trying to do with this is say OK, the United States Code still applies, it still expressly prohibits by law only those things that should be prohibited by law and that people should be able to exercise their political prerogatives as American citizens unless specifically prohibited for these particular reasons.

The Hatch Act does not undo any of these things. All those protections for people in the Department of Justice or wherever else they are in Government are still there with stiff penalties if they are violated.

So do we want to expressly say to the people of this country, including Government employees, they are encouraged to be politically active unless specifically prohibited by law? Absolutely, just like every other American citizen. If you start restricting people's political activity when it is not necessary, when there is no real threat, then I think that really is a danger because something like that expands into the general population. When you start restricting people for no particular reason, that to me does not make any sense. That would be a danger to this country.

So we do not try to take any authority that goes beyond S. 185 and say we will overturn some of these other restrictions that are quite outside the domain of the Hatch Act. We do not change those at all. All of those protections are still there. Whether the people are in the Department of Justice, Treasury, FBI, Secret Service, you name it. All of those protections are still there, and with very stiff fines involved.

So all we try to do with this, I keep repeating, is make the Hatch Act more

fair. We tighten up on the job. We loosen up some off the job but still with very careful restrictions therein.

How much time do I have remaining?
The PRESIDING OFFICER. The Senator's time is 10 seconds.

Mr. GLENN. I will sacrifice that. I yield my time.

The PRESIDING OFFICER. The Senator from Delaware has 1 minute and 25 seconds.

Mr. ROTH. Madam President, I yield the remainder of my time.

The PRESIDING OFFICER. Under the previous order there is 1 hour for debate remaining on the bill.

Mr. GLENN. Madam President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged to both sides equally.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. (Mr. FORD.) Without objection, it is so ordered.

Mr. DOLE. Mr. President, has leader time been reserved?

The PRESIDING OFFICER. Yes.

Mr. DOLE. Mr. President, I have about three items to complete my leader time, and then if I can obtain some time from the Senator from Delaware I will make a brief statement on the Hatch Act.

MIKE WALDMAN: UNEXPECTED PASSING OF VETERAN REPORTER; COLORFUL NEWSDAY REPORTER WILL BE MISSED

Mr. DOLE. Mr. President, the unexpected death yesterday of Newsday reporter Mike Waldman was bad news indeed, a stunning passing that leaves a huge void in the Capitol Hill press corps.

Mike Waldman was one of the most popular and colorful reporters in Washington, a veteran journalist who had seen it all, and was not shy about telling you more than a few stories to prove it. He had a quick and clever sense of humor, filling his conversations and columns with puns and topical jokes. It was no surprise to his friends when he entitled his memoirs, "Forgive Us Our Press Passes." Mike was a special character, and a familiar sight in the Capitol with his trademark bow tie, ruffled pants, and suspenders and belt.

But behind all the color and humor was a talented journalist, a dedicated pro who could smell news a mile away. It was obvious he loved the political arena, whether it was the Halls of Congress, the campaign trail or the White House, Mike Waldman was always there, bringing his special talents and special personality to his beat.

It is never easy covering politics, what with all the traveling and inhumane hours. In fact, in one poignant and revealing story in his book, Mike recalls that after being away on yet another long trip, his young son greeted him at home with the comment, "Daddy, do you still live here?"

Well, Mike understood the sacrifice of big league journalism, but he also understood the importance of family. He was a devoted father and husband, and enjoyed talking—and, what else, joking—about his home life.

It is difficult to imagine Mike is gone. We will miss his raspy voice, his hearty laugh, and, yes, his tough questions at our press conferences. He was a good man, and a one-of-a-kind journalist.

I send my prayers to his family.

WELCOMING BACK SENATOR SPECTER

Mr. DOLE. Mr. President, I am sure that all of my colleagues in the Senate join me in extending a warm welcome back to our friend from Pennsylvania, Senator ARLEN SPECTER, who has returned to the Capitol following a very successful surgery.

On the path of this remarkable recovery, Senator SPECTER could not have returned to the Senate at a better time. In fact, as I left my office I watched him on C-SPAN making a statement at the Ginsburg hearings, and as a member of the Judiciary Committee, as one of the Senate's most brilliant lawyers, legal minds, he can be counted on to play an important role in that hearing and also the hearing of FBI Director-designate Louis Freeh.

Anyone who knows ARLEN SPECTER knows he is a workhorse who does not do anything halfway. But that will not stop us from encouraging ARLEN not to overdo it. I think that is a tendency everybody has, and we hope he will follow his doctor's advice. We refer to ARLEN in Russell, KS, as the "second Senator" from Russell, KS. He attended high school there, and his brother still lives there. Even though he is now a Senator from Pennsylvania, he has many, many friends in our small hometown of Russell, KS, who wish him well and know that his recovery will be complete, and it has been speedy.

We all look forward to seeing ARLEN in his now famous Pennsylvania hat on this floor more and more often in the days and weeks ahead.

NOMINATION FOR FBI DIRECTOR

Mr. DOLE. Mr. President, under my leader time, I will now comment on the new nominee for the FBI Director. In the wake of the unprecedented dismissal yesterday of an FBI Director appointed to a 10-year term, we must now look ahead to the confirmation of his successor.

President Clinton today announced his selection to head the FBI, U.S. District Court Judge Louis Freeh. While I do not know Judge Freeh, I look forward to examining his record, experience, and his views on criminal justice. At first glance, his credentials appear impressive. I was particularly pleased to hear Judge Freeh this morning mention his commitment to the political independence of the FBI.

I understand the administration would like to complete his confirmation before the August recess, and I certainly share the administration's interest in restoring leadership to the Bureau in a timely manner. It is this Senator's intent to cooperate with the administration toward that goal, consistent with the Senate's responsibilities to thoroughly consider this appointment. Certainly all of us wish the nominee success.

Mr. President's I yield any leader time I may have.

The PRESIDING OFFICER. All leader time remaining will be yielded back.

HATCH ACT REFORM AMENDMENTS

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, I am going to speak generally on the Hatch Act. There is no doubt that this bill is going to pass later today, probably with some bipartisan support, and it may become the law. It is a much better bill than the House bill. I commend the chairman of the committee for making it a better bill. I hope that maybe the House, if we have to pass anything, will take the Senate bill. I would just as soon we did not pass anything.

During last week's debate, the Republicans, under the leadership of my distinguished colleague from Delaware, Senator ROTH, succeeded in making some significant improvements. One improvement exempts both administrative law judges and members of the Senior Executive Service from coverage under the bill. Another improvement exempts those workers employed by some of our national security law enforcement agencies, agencies like the CIA, the Defense Intelligence Agency, and the FBI.

These are all steps in the right direction. But for those of us interested in nonpolitical Federal work force, they obviously do not go far enough. Senator ROTH has offered two more constructive amendments. One amendment will exempt IRS auditors from coverage under the bill. The second amendment will provide an exemption for the prosecutors in the Justice Department's Criminal Division, and it would seem to me that we ought to take these amendments. I cannot believe that we would want people who are in the IRS audit area, or are special prosecutors in the Justice Depart-

ment's Criminal Division playing any role in politics, or being intimidated if they do not play a role. Do we really want members of the Justice Department's Criminal Division—individuals who decide on the prosecution of public employees—to serve as party officials? Do we want IRS auditors—individuals who have access to the most sensitive and confidential information—to be soliciting campaign contributions.

I think these amendments should pass and should be overwhelming, and I hope it will not be just party line votes, all Democrats and a few Republicans voting against the amendment. I know that most of the money in this operation goes to my colleagues on the other side of the aisle. I do not like public financing, but the more I see of this kind of legislation, the more attractive it appears to some. Because this is certainly a product of the activists in the Federal labor unions who raise a lot of money and give 89 percent of it to my colleagues on the other side of the aisle. Common Cause, who opposes this legislation, has been strangely silent. They are very active when there is something like campaign finance reform. But I guess, here, too, they have received the message that they are not totally nonpartisan. They did not testify at the hearing, as I understand it. They have not said anything. They wrote a letter in March, but that is the last we heard from Common Cause on this very important issue. I guess their credibility—what little they have—is probably at risk. It is a little late to weigh in now, but they have been a.w.o.l. on this particular legislation. Maybe it does not come as any great surprise, but if they are truly concerned about the politics and about money and about influence and about special interests, this certainly has been target number one. But somehow they are a.w.o.l., not here, and they are not doing anything. So I hope that Mr. Wortheimer and other members of Common Cause will take a look at this legislation. It is a little late to do much about it. At least they can say they did not do anything to stop it. I hope they will.

This amendment would sensibly prohibit Federal workers from participating in political fundraising. And for all the recent talk in this Chamber about the so-called Washington political money chase, one would think the Senate would want to spare the civil service the burdens of soliciting political contributions.

I hope that the Kassebaum amendment will pass. I do not think it is going to pass, because I think the votes are there. I think those that support the legislation—if they had not had the votes they probably would have accepted the amendment earlier.

I have not heard anybody yet—and maybe I missed it—deny that history is loaded with examples of political

abuses that hurt Government, hurt Government's employees, and hurt the people the Government is supposed to serve.

Indeed, the fact that political abuses are rare in the Federal system today I think speaks to what we think is a good bill we have now. I think most Federal employees think we have a good bill now. They are not asking for change. These are the activists and the people that raise the money and who participate in politics. I think what we have today is a testament to the effectiveness of the Hatch Act as it is today. It works because it protects and insulates Federal employees from partisan politics. It prohibits them in using their official positions to interfere with Federal elections and from taking an active part in political campaigns.

Contrary to some of the propaganda out there, the Hatch Act does not prohibit public employees from voting and expressing their views in private and public, attending conventions or rallies as a spectator, or campaigning for or against political referendum questions, and a host of other activities.

These rights are real, and they have been exercised by the Federal employees for decades—and, for the most part, without complaint. But what is most important are the protections the Hatch Act gives them—protections we can kiss goodbye if this bill becomes law.

Under the bill's so-called reform approach, Federal workers will be entitled to hold office in a political party, solicit political contributions, make campaign speeches, and distribute campaign literature. They will be permitted to participate in political phone banks and attend and organize political meetings.

With these new rights, the very real danger is that the quality of our civil service will decline as politics replaces merit as the key factor in hiring and promotion decisions.

It seems to me that there is a lot of talk about whether there are going to be stiff penalties for political coercion. But as the New York Times pointed out, these penalties were inadequate to protect Federal employees, who now, under current law, can rebuff political overtures by superiors and others in the work force simply by saying, "sorry, I am Hatched." That is what most Federal employees would like. They have that protection today, and they will not have it later.

So there is not much public clamor for this legislation; not even much from the Federal employees here. It is like the motor-voter legislation. Not a single Governor I know of wanted motor-voter legislation, but it is construed by many to help my colleagues on the other side to win more elections, to increase their margins in some areas, and that is why it is on the

floor. In the motor-voter legislation, we mandated the States to pay for it. We did not offer to pay for it.

We are going to have some amendments on some of the appropriations bills to withhold implementation of that bill until we provide the money for it, because we are already hearing complaints from Governors as to how much it is going to cost.

WHO SUPPORTS S. 185?

So, Mr. President, if this bill has so many obvious flaws, so many potential pitfalls, then why are we debating it in the first place? And who really stands to benefit from repeal of the Hatch Act?

Certainly not the Federal employees themselves, who—from day one—have expressed little interest in changing the Hatch Act status quo.

More than 60 percent of the employees surveyed by the Federal Executive Alumni Institute, for example, oppose changes in the Hatch Act. And in a 1989 Merit System Protection Board survey of nearly 16,000 employees, only 30 percent responded favorably to the question of whether they would like to be able to be more active on partisan political activities.

Make no mistake about it, the people who want this bill are the union leaders here in Washington, the beltway boys, those at the top of the union ladder, those who have the power and who want more.

The issue, Mr. President, is power. Not free speech. Not civil rights. Not the emancipation of the Federal worker. But the emancipation of the Federal employee checkbook.

During the last election cycle, the political action committees of the major Federal employee unions gave more than \$6 million to Democrat candidates. In comparison, Republicans received a paltry \$600,000. That is more than a 10-to-1 ratio, Democrat to Republican.

And by allowing Federal workers to solicit union PAC contributions, this so-called reform bill will make the union PAC treasuries bulge even more at the very time that my Senate colleagues—Democrat and Republican—just passed a campaign finance bill that banned PAC's outright.

This bill should carry a warning label that says: "Federal employee—beware! Your checking account will take a nosedive, if and when, this bill passes."

Mr. President, I would like to save the Hatch Act. Last week and now today, Senate Republicans have been rolling out the Hatch Act lifeline. Unfortunately, in the final analysis, this lifeline came up short.

I say again, more than 60 percent of the employees surveyed by the Federal Executive Alumni Institute opposed changes in the Hatch Act. And in a 1989 Merit Protection Board survey of nearly 16,000 employees, only 30 percent responded favorably to the question of

whether they would like to be able to be more active on partisan political activities.

So the union leaders, the beltway boys, those at the top of the union ladder, they are the ones out here in the Cloakroom; they are the ones who have been pushing this legislation. They want more power and they know how to use it, and that is what this issue is all about.

I hope this is something the American people, when they start taking a look at Congress, will consider. And they do not care much for Congress. Many people take a look at some of the things we continue to do. This is not free speech. It is not civil rights, not the emancipation of the Federal worker, but the emancipation of the Federal employee checkbook. That is what this legislation is all about.

We will see the contributions go up. And we will see some, I guess, who vote for the legislation maybe benefit. But for the last time, unions gave more than \$6 million to Democrat candidates, and I think \$600,000 to Republican candidates. But whether it be \$6 million apiece, it would not make any difference; it is still not good legislation. I regret some of my Republican colleagues are voting for this legislation.

It seems to me that it is going to pass, and again I suggest it is much better than the House bill. So I commend the distinguished chairman, the Senator from Ohio, Senator GLENN, for his effort to try to minimize, where possible, some of the pitfalls that many think will happen.

I know today's New York Times editorial has already been referred to and already put in the RECORD, so I will not do that again.

I do not often agree with the New York Times editorial policy. In fact, generally, it is aimed at me. But I just suggest maybe this one might be worth reading with reference to the amendments that are pending.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself as much time as I may take.

The PRESIDING OFFICER. The Senator may proceed.

Mr. ROTH. Mr. President, should the House of Representatives concur in the Senate amendments to H.R. 20, the Hatch Act Amendments of 1993, the President will sign the legislation into law. That means that the Senate may not be again debating the merits of this legislation for a long time—not until the new law has gone into effect, the culture of the Hatch Act has eroded, employees realize that politics has permeated the workplace, and a scandal erupts. Then we will be debating this again.

But before we close this chapter in our Nation's struggle to deal with the

spoils system, a struggle that has lasted for nearly two centuries, I would like to offer a few observations.

Proponents and opponents have debated this legislation strenuously and passionately. In my judgment that debate will never end. It will never end because we each hold very different views on human nature and on the function and place of the Hatch Act in the Federal work force.

In evaluating this legislation, I recall that in Homer's epic poem, the "Odyssey," the main character Odysseus asks his sailors to tie him to the mast of the ship while they sail past the alluring Sirens, lest Odysseus and his men be distracted from their objective. I picture Odysseus at the mast with his hands tied behind him, at his own request and for his own protection, straining at the ropes while the Sirens' song calls him to ruin. Odysseus is like the Hatched Federal employee, restrained for his own protection. But now come the proponents of S. 185 to untie the hands of Odysseus while earnestly warning him not to listen to the Sirens' song.

Millennia pass. Circumstances change. But the problems of human nature persist.

On the subpic level, the Virginia Newport News earlier this year editorialized against the Hatch Act legislation pending in Congress, writing that it is like telling the cat he can play with the canary if he promises not to eat it.

Proponents accurately will state that S. 185 contains strong penalties for any cat who eats a canary. We differ with proponents in our belief that the real way to protect the canary from the cat is to separate them; proponents naively believe that no harm will come from mixing the two so long as the law prohibits the cat from eating the canary.

The cat-and-canary analogy is useful but it, too, misses an essential point: The wrongs that will occur when S. 185 becomes law will not always be tangibly evident. You could place the cat under constant surveillance with a camera and see whether the cat eats the canary. But there is no way to photograph the thoughts, the mind, the anguish of the Federal employee who believes, for whatever reason, that he is expected to take an active part in a political campaign.

While the Federal employee is the victim in such a situation, who is the violator that is to be punished under S. 185? No one has coerced him. So who is to be punished? And what is the evidence to make the case? What cases may be brought? On what basis may accurate statistics be kept about whether the new legislation has politicized the work force?

If anything, proponents of the legislation will cite the silence of the victims as evidence that the new legislation works. The rise in active political

participation among employees will be presumed by proponents to be totally voluntary. When the employee becomes publicly political because he believes he is expected to, just exactly who is the wrongdoer? Does the lack of an identifiable wrongdoer mean there is no wrong? The chairman can cite all the statutes on the books against coercion. But those laws don't mean a thing where there is no identifiable wrongdoer, and that will be all too common.

Who can these victims point to? Who made them the victims of political pressure? Unfortunately, the only answer to that question is the proponents of this legislation.

Another observation I wish to make is that proponents and opponents of S. 185 have significantly different views of the Hatch Act itself. In my judgment, the Hatch Act is something far more significant than a few sections of title V of the United States Code. To proponents of S. 185, the Hatch Act is a jumble of different rules, hard to understand, which suppress first amendment freedoms. To me, the Hatch Act is remarkable not so much for the text of its statute as it is for the context it has created. It has created a culture in the Federal work force that politics has no place. Today, the Federal employee is protected from requests to get involved in a campaign. He can rest assured in the knowledge that he can simply say "I am Hatched" to any request. But even more reassuring than that, perhaps, is the fact that the employee's coworkers are also Hatched, also precluded from engaging in political campaigns so that they might get an advantage over the employee to receive better assignments and better pay. It is not enough for the employee to be Hatched; it is equally important that coworkers be Hatched. Only that way can employees be assured that their performance on the job will be judged on the merits of their performance on the job and not on the basis of politics. To me, there is no brighter line than that.

In short, today's merit system culture is inextricably linked to the existence of the Hatch Act. The amendments contained in this legislation will poison the culture, shatter the assurances, and flatten the protections of the Hatch Act. Proponents argue that times have changed since 1939. They argue that we don't have problems of politics replacing merit any more. So they exhort us to do away with the fundamental prohibition against active participation in political campaigns. What they fail to grasp is that it is this very prohibition that has caused the change. Conditions have improved because this prohibition has worked.

For the life of me I do not understand why this prohibition's success is the basis for its repeal. But that is exactly the argument of the proponents of S. 185.

In sum, it should come as no surprise that we disagree, when we hold such disparate views both of human nature and the function of the Hatch Act. Mercifully, this debate is drawing to a close. But unfortunately it appears that proponents will prevail. The Hatch Act was passed in 1939. Attempts to relax it were vetoed by President Ford in 1976 and by President Bush in 1990. It was President Ford who summed up the legislation, in his direct style, as "bad for the employee, bad for the government, and bad for the public."

While much of the debate for the last week has focused on the Federal employee, it is important to understand that the welfare of the employee, the Government, and the public are inextricably linked. The public has a right to expect that programs that serve the public are administered in a neutral, nonpartisan manner, without regard for political considerations. Whether we are talking about who gets a grant, who gets audited, or who gets prosecuted, those discretionary decisions of government are better made without the infusion of political considerations. When political considerations are removed from decisionmaking, the government acts more efficiently, more productively, and more honestly with the results that the people receive the quality of service they deserve. Remember, the Government is here to serve the people.

So as opponents express concern about the subtle pressures that will be laid upon the Federal work force with the passage of S. 185, opponents are concerned not only about the personal impact on the employee but also about the impact on the American citizen, who is both the customer of, and the shareholder in, the Federal Government. So this legislation is no inside-the-beltway controversy, no internal Government problem, no arcane matter best forgotten. No, what we opponents are all concerned about is how Government performs for the American people. This legislation is an about-face, a march in the wrong direction. This is why over 100 newspapers have editorialized in favor of retaining the current Hatch Act. This bill has real consequences. It is bad for the employee, bad for the Government, and bad for the public. And that's why I shall vote "no" on final passage this afternoon.

I shall vote "no" even though the Senate bill is substantially better than the House bill in three major respects. The House bill, in contrast to the Senate bill, permits Federal employees, first, to solicit political contributions from the general public and, second, to run as a partisan candidate for local elective office. Third, as a result of an amendment agreed to last Thursday, the Senate bill exempts about 3 percent of the work force who hold certain police or intelligence positions. While I

am pleased that the Senate took that step to improve the legislation, S. 185 still provides, as a general proposition that covers about 97 percent of the work force, that "an employee may take an active part in political management or in political campaigns * * *."

S. 185 thus repeals the fundamental prohibition that has come to be known as the Hatch Act, although the prohibition was first formulated by President Theodore Roosevelt in 1907. This legislation, notwithstanding its improvements, is still a break with our historic tradition, a tradition inaugurated by President Thomas Jefferson, and maintained as recently as President George Bush, a tradition of opposing electioneering by Federal employees.

This tradition understood the proclivities of human nature and valued the workplace culture created by the Hatch Act. Today marks the end of that tradition.

Mr. President, during the past week, I have mentioned the more than 100 editorials which have appeared in newspapers around the country expressing opposition to the proposed changes in the Hatch Act. During the debate I have read from a sample of the editorials. Rather than submit all 100 editorials for the RECORD, I ask unanimous consent that a list of the editorials, along with the date they appeared, be printed in the RECORD.

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

NEWSPAPER EDITORIALS AGAINST CHANGES IN THE HATCH ACT

New York Times, "Mr. Glenn Hatchets the Hatch Act," July 20, 1993.

New York Times, "Save the Hatch Act," July 15, 1993.

Los Angeles Times, "An Unwanted Escape Hatch—Keep Federal Civil Service employees clearly and formally above politics," March 3, 1993.

Wall Street Journal, "Hatch Not Hacks," February 19, 1993.

The Christian Science Monitor, "Go Slow on Voting Act," March 11, 1993.

ALABAMA

Athens News Courier, "Let's Keep Hatchet Away From Hatch Act," June 2, 1993.

Birmingham News, "Axing Hatch," March 26, 1993.

Birmingham Post-Herald, "A Last Pitch for Hatch," March 8, 1993.

Selma Times-Journal, "Hatch Act's 'Reform' Would Help Only Unions," May 26, 1993.

ARIZONA

Fort Smith Times Record, "Hatch Erosion," March 11, 1993.

The Arizona Republic, "Hatch Act 'Reform'—Politics at Work," March 4, 1993.

CALIFORNIA

Fresno Bee, "Hatch Act Revisited," March 18, 1993.

North County Blade-Citizen, "Keep Hatch Act," March 26, 1993.

The Sacramento Bee, "Hatch Act Overkill," March 1, 1993.

COLORADO

Denver Post, "Don't Renew the Shake-downs of Federal Employees," April 2, 1993.

Durango Herald, "Don't Weaken the Hatch Act," March 10, 1993.

Loveland Daily Reporter-Herald, "Who Gains From Destruction of Hatch?", March 10, 1993.

CONNECTICUT

Rocky Mountain News, "The Maiming of a Good Law," March 7, 1993.

Waterbury Republican-American, "Hatch Act Attack," March 8, 1993.

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Cape Coral Daily Breeze, "Keep Politics Out of Civil Service," May 4, 1993.

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Gainsville Sun, "Saving the Hatch Act," March 21, 1993.

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Pensacola News Journal, "Hatch Act Revision by Congress Bad Idea," May 6, 1993.

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Stuart News "Hatch Still On Guard," February 23, 1993.

Tampa Tribune Times, "Keep the Hatch Act Intact," March 21, 1993.

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Albany Herald, "'Reforming' Hatch Act," March 18, 1993.

Atlanta Journal, "Hatch Act Changes Mean Return of the Spoils System," May 4, 1993.

Athens Banner Herald, "Urge Congress To Keep Hatch Act," May 3, 1993.

Augusta Chronicle, "Let's Keep the Hatch Act," January 30, 1993.

Rome News-Tribune, "OK'ing Corrupt Practices," March 14, 1993.

ILLINOIS

The Bloomington Pantagraph, "Hatch Act Limits Shouldn't Be Lifted," March 1, 1993.

INDIANA

The Indianapolis Times, "How Embarrassing," March 2, 1993.

IOWA

Des Moines Register, "Don't Scrap the Hatch Act—Keep Partisan Politics Out of Federal Service," March 5, 1993.

KANSAS

Belleville Telescope, "Unions Want Bureaucrats To Be Involved in Politics—We Need Hatch Act," June 3, 1993.

MAINE

Bangor Daily News, "Hatch Act Repeal," March 16, 1993.

Lewistown Sun-Journal, "Keep the Hatch Act," March 14, 1993.

MASSACHUSETTS

Boston Herald, "Hatch Act Endangered," March 8, 1993.

New Bedford Standard-Times, "Hatch Act Repeal Will Lead Us to a Rich Vein of Corruption," March 10, 1993.

Quincy Patriot Ledger, "Leave the Hatch Act Alone," March 9, 1993.

Worcester Telegram & Gazette, "Save the Hatch Act," March 10, 1993.

MICHIGAN

The Detroit News, "Hatching Trouble," November 26, 1992.

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Clarksdale Press Register, "Hatch Act Repeal Seems Unnecessary," May 19, 1993.

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Mississippi Press, "Hatch Act Has Served Us Well," February 25, 1993.

Natchez Democrat, "Repeal of Hatch Act Would Be a Mistake," May 19, 1993.

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Kansas City Star, "Hatch Act in Danger," March 14, 1993.

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Las Vegas Review Journal, "A Labor Union End-Around—Senate Bill Would Skirt Nevada's Right-To-Work Law," March 3, 1993.

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NEW JERSEY

Gloucester County Times, "Preserve Hatch Act Shield," May 12, 1993.

Trenton Times, "Should U.S. Employees Be Un-Hatched?" May 10, 1993.

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Las Cruces Sun-Times, "Don't Destroy the Hatch Act," March 7, 1993.

Santa Fe, "Bingaman, Domenici: Stand by Hatch Act," March 14, 1993.

NEW YORK

Buffalo News, "Don't Wreck the Hatch Act—This Federal Law Protects Civil Servants and Public," March 4, 1993.

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Gaston Gazette, "Hatch Act Provides Benefits to Americans," February 23, 1993.

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Cincinnati Post, "Hobbling the Hatch Act," February 22, 1993.

Cincinnati Post, "Keep the Hatch Act," March 6, 1993.

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PENNSYLVANIA

Lehigh Valley Times News, "Hatch Act—Would Local Law Be Fair?" March 17, 1993.

Milton Evening Standard, "Hatch-Bashers Hard at Work," March 2, 1993.

New Castle News, "Keep Hatch Act in Present Form," February 25, 1993.

The Philadelphia Inquirer, "Let the Hatch Act Be—It's as Good an Answer as Any to the Puzzle of Government Employees' Politicking," March 1, 1993.

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Winchester Star, "Good Law—The Hatch Act Must Be Preserved," May 20, 1993.

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Martinsburg Journal, "Legislation Would Repeal Hatch Act Guard Against Politicization," May 4, 1993.

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Kenosha News, "Public Will Suffer If Hatch Act Revised—Public Servants Should Be Free of Politics," March 7, 1993.

Milwaukee Sentinel, "Don't Change It—Hatch Act Curbs Political Abuse," March 1, 1993.

Oshkosh Daily, "Hatch Act Again Comes Under Attack in Congress," March 8, 1993.

Racine Journal Times, "No Great Favor—Repeal of Hatch Act Would Be a Mistake," March 7, 1993.

Wisconsin State Journal, "Protect Hatch," March 8, 1993.

Mr. ROTH. Mr. President, I would like to point out that more than three-quarters of these editorials appeared after March 4, 1993, the day the House of Representatives passed their version of changes in the Hatch Act Reform. Despite the comments of the distinguished Senator from Ohio, many of these newspapers knew the difference between the House and Senate bill, and their opposition was to fundamental changes in the act, such as those that the Senate bill would make.

Mr. President, I reserve the remainder of my time.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

Mr. President, a couple decades ago, we used to all watch a TV program, and on it was a TV cop named Joe Friday. Joe Friday's statement always was: "Just the facts, ma'am; just the facts." He tried to get to the facts.

By some of the things that are tossed out against this legislation, I am reminded of Joe Friday—"just the facts."

S. 185 is not all these dire things that have been tossed out. The 54-year-old Hatch Act, it has been said, would undermine this. "The ghost of corrupt Government could come creeping back under the guise of constitutional rights," one editorial says.

Nothing could be further from the truth. Simply put, the Hatch Act Reform Amendments of 1993 would do three things.

On the job, it would make the Hatch Act tougher than it now is. It retains and strengthens current prohibitions against on-the-job political activity by Government employees. It would beef up penalties for violators. In fact, no political activity of any kind on the job.

No. 2, off the job, it would still, with very major restrictions, allow America's 3 million civil servants to retain their constitutional rights by participating in our Nation's political process voluntarily on their own time as private citizens.

No. 3, it would eliminate and clarify current rules that are confusing, that are nonsensical and contradictory.

Let me go into a little more detail.

In 1939, conditions are much different for Federal employees than they were in 1939 when the Hatch Act was passed. Many of the Hatch Act rules now, as currently written, are arbitrary, capricious, inexplicable, and indefensible, because Federal employees should not

be treated like some second-class citizens and be forced to forfeit their constitutional rights when they opt for careers in public service.

If there are restrictions, fine. They accept those. But giving up rights unnecessarily is not what America is all about.

The Hatch Act was passed in 1939 before the development of a professional civil service at a time when Federal jobs were rewarded not on the basis of merit competition, but they were awarded as patronage plums for political contributions. They made no bones of it back in those days. And to protect civil servants in such a climate, it was deemed necessary to bar them from taking part in most political activity. Fine.

But here we are 54 years later and we have a dramatically different situation. We have a well-established, a professional, classified merit-based civil service, which ensures that promotions in the vast majority of Federal jobs goes to those with the best qualifications, not the best political connections.

And we have something else. We have the MSPB, the Merit System Protection Board, to which appeals could be made if an employee feels he or she had been dealt with unfairly.

We have a welter of other laws on the books that further protect Federal employees from political coercion and manipulation.

There are some 2,000 top-level Government officials, of course, who are appointees of each new President and who serve at his pleasure that are not covered by any of these things. They are free to do whatever they want politically.

We also have a number of Hatch Act rules and regulations on the books that make no sense and deprive Federal employees of many basic rights all other Americans take for granted.

So the idea that we are somehow trying to repeal the Hatch Act is the furthest thing from my mind. I favor the Hatch Act. I am not for its repeal.

The House and Senate bills are completely separate with completely different provisions. It is not the House bill that we are talking about. It is not the House bill we are working on. The House bill does some different things. The House bill permits people to go out and ask for contributions from the public, permits people to run for partisan political office. We do not do that in S. 185.

Through the years there have been some 1,500 identified rulings, regulations and interpretations grown up around the Hatch Act which are conflicting and they are unclear. Let me give a couple of examples in this wind-up statement.

To those people who would say that people under the Hatch Act are not permitted political activity, that just

is not true. Right now under the Hatch Act, people can give a \$1,000 contribution to the candidate of their choice. Anybody, civil service or not, can put signs in their yard; they can put them in the windows of their homes; they can get them all over their car and drive around town; they can go to a political rally. That is permitted right now.

I would not change that at all. But a civil service employee is permitted to contribute up to \$1,000 and the next door neighbor, with kids in college and no extra money to spare, is forbidden by law of any in-kind contribution. In other words, you have two civil service neighbors living side by side, one gives \$1,000 and the other, just as interested in the candidacy of somebody, wants to go down and stuff envelopes or drive a car during a campaign, they are prohibited by law from doing that. Is that right? I do not think it is.

Here is a good one. A civil service employee can put yard signs all over their yard in support of a particular candidacy. A civil service employee can have them all over their car, as I said a moment ago, but you take that same person down to a political rally and that person walks into that political rally and someone gives them one of those same signs and they are standing in the back of the hall, if they have that sign in their hand, it is against the law. They can technically get fired for that.

Does that make any sense? Well, I do not think it does.

Another one, Federal employees may publicly express their opinions about political candidates but they cannot make a speech on behalf of that candidate. The difference? That is a good question. Is it the difference of whether somebody sticks a microphone in front of you? Is it whether you have a crowd out there? What does comprise a crowd? Two people, three, 500? Is it OK to be interviewed on TV, which goes out to 10 million people, or OK on radio, but it is not OK to talk to a print reporter? Or is it OK to talk to a print reporter but no one else can be listening or it becomes a crowd or it becomes a speech? In other words, this is all very confusing.

The Federal employee can wear a candidate's campaign button on the job but is prohibited from campaigning for or against that candidate. What we do is we prohibit that on the job. You could not even wear a campaign button on the job. You talk about coercion.

Let us say you are being interviewed by some Government official on some subject and he is sitting there with a great big campaign button on his or her lapel. That would give you a little hint. Talk about coercion. We stop all that. We say on the job you cannot do anything, even wear that campaign button. We say that where the current rules are inconsistent, they are confusing, they are desperately in need of

overhaul. We try to do exactly that. We say on the job, no political activity.

But yet under this bill, Federal employees would still be barred from running for partisan political office. The House bill permits such candidacies.

Under this bill, employees would still be barred from soliciting political contributions from the general public. The House bill permits solicitations like that.

Under this bill, coercion of subordinates would not only still be banned but subject to even increased penalties. We increase the penalties up to a \$5,000 fine and 3 years in prison. The House bill has far lower penalties.

So just to summarize, on the job we do not permit any political activity, and off the job, away from work on an employee's own time and in ways that will not be unfair, we permit some political activity.

On the job even wearing campaign buttons would not be permitted. No political activity on the job. Zero, even what is permitted under today's Hatch Act. So we make the Hatch Act more restrictive and tougher than it now is on the job, but off the job, after hours, still controls and restrictions would be recognized for just what they are: A basic constitutional right, a crucial ingredient of a free democratic society, of whatever political party.

The year 1939 was a long time ago. Time and circumstances change, and so should the Hatch Act sensibly, and that is what we do.

Mr. President, all this talk—and the words keep popping out regardless of how many times we correct it—the words "repeal of the Hatch Act" keep coming out, and that is not what we do.

The other thing we do not do is change any of the United States Code right now. Eight different provisions of the United States Code right now prevent any misuse of a Federal job or a Federal position to intimidate, threaten, coerce in any way, any shape or form, trying to influence votes in one United States Code citation that I read into the RECORD before.

Another one: To affect the nomination or election of any candidate.

Another one: Promises or pledges of appointment or employment protection against that.

Of any benefits, is another provision in the United States Code.

Another one: To cause any person to make a contribution or a thing of value, including services, or the denial of such services, is prohibited also.

Another one: To solicit contributions or force contributions or solicit contributions because of a position of someone or try and force people into it, knowingly solicit from any other such officer, employee or person.

Another provision of United States Code: It shall be unlawful for any such person to receive any contribution.

Another one: It should be unlawful for any person to intimidate, threaten, command or coerce, or attempt to do so, to engage in or not to engage in any political activity, including but not limited to voting or refusing to vote, and all the other things here.

In other words, all of these provisions of the United States Code remain fully in effect—fully in effect.

Every time Hatch Act reform comes up, opponents argue that this or that group should be exempted from the terms of the reform law—these are reforms, not repeals—should be exempted from the terms of the reform law.

Since I became chairman of the Governmental Affairs Committee, we have defeated numerous amendments in committee to exempt certain groups of employees. It is because we think that those employees should have a right to participate in our political process if they are not misusing their job, not coercing people, not influencing them. Why should they not be permitted to stuff envelopes, say, in a headquarters or something like that?

In 1990, we defeated two amendments on the floor to exempt certain categories of employees. Last Wednesday, Senator DOLE sent a letter to Senator MITCHELL asking that we adopt three amendments and in return we could pass S. 185 the next day. That was the deal that was offered. We had defeated two of the three amendments on Senator DOLE's list in 1990 during floor debate on the Hatch Act reform. We had, I believe, the votes to defeat them once again this year. The other amendment on the list was defeated in committee this year. But I was willing to compromise with my colleagues on the other side of the aisle for the purpose of moving S. 185 through the Senate.

So in a bipartisan agreement, we modified the text of S. 185 in order to schedule a vote for final passage on the bill. As part of the so-called manager's amendment, Senior Executive Service employees, administrative law judges and members of the Board of Contract Appeals are exempted from the provisions of the bill. In other words, 9,000 upper level Government employees will continue to be Hatched under current law.

Then, as part of the so-called manager's amendment, we exempted any employee who works for the Secret Service, the Federal Bureau of Investigation, the Central Intelligence Agency, National Security Council, National Security Agency, Defense Intelligence Agency, Merit Systems Protection Board, Office of Special Counsel, the Office of Criminal Investigations of the Internal Revenue Service, Office of Investigative Programs of the U.S. Customs Service, and the Office of Law Enforcement in the Bureau of Alcohol, Tobacco and Firearms.

Not including the employees working for the CIA, NSA, and DIA, the latter

part of the amendment exempts approximately 36,000 Federal law enforcement employees. That was done, as I said, with a view toward trying to move this legislation along, even though we would have had the votes, I believe, as we did before in 1990 to defeat two out of those three amendments.

I am philosophically opposed to exempting certain groups of Federal employees in Hatch Act reform for several reasons. First of all, S. 185 strictly prohibits all Federal employees from soliciting the general public. It is not the House bill in that regard. No one has to worry that a tax auditor or a CIA or FBI agent will come knocking on their door asking for a political contribution. In addition, there are severe penalties for any employee who misuses his or her position for political purposes in S. 185 and in the other legislation I referred to a moment ago.

Finally, as I have said before, the bill does not repeal the Hatch Act. A local FBI agent still cannot run for office. It simply continues the Hatch Act in a way which is more fair to Federal workers.

Now, it was difficult for me to accept the exemptions contained in the so-called managers' amendment, but I was willing to come to a compromise with my colleagues on the other side of the aisle. But that is as far as we can go on that, and I oppose the other amendments obviously and will at the proper time move to table the amendments we have debated this morning.

Mr. President, just one final wrapup comment.

Officials of the OSC told committee staff they saw no conflict problems in their employees being involved in allowed, voluntary political activities on their own time. Their duties are to examine alleged violations of the Hatch Act.

The argument made earlier this morning by my distinguished colleague with regard to that was sort of like saying since shoplifting is illegal, investigators or prosecutors ought not to be allowed to shop. Just as we can count on prosecutors who shop to prosecute shoplifters, we can count on prosecutors who engage in legal political activity off the job to at the same time be responsible for prosecuting violators who engage in illegal political activity on or off the job.

So I would make the same argument with regard to the FBI. But in order to make the time agreement, I agreed to a compromise. Obviously, in my opposition to the amendments that we have debated this morning, I think we have to draw the line.

Mr. President, at the appropriate time, I will yield back my time.

Mr. GRASSLEY. Mr. President, I rise today to speak on the Hatch Act and the legislation we are debating today which repeals many of its provisions.

I am sorry that I was not able to participate in last Wednesday's debate which focused on a number of very important issues. However, due to dire circumstances in my home State, I needed to return to Iowa to spend the day with President Clinton touring areas devastated by the flood.

The Hatch Act was enacted in 1939 to correct political and patronage abuses in the Federal Civil Service and to protect Federal employees from political pressures from their supervisors. It does so by restricting Federal employees from overt political expression and activity. The Hatch Act also guarantees that our Nation's laws and programs are administered by a neutral, nonpartisan Federal work force.

As a strong advocate of public participation in the political process, I sympathize with Federal employees who desire to have a more active role. However, as a Member of Congress, I have the responsibility to ensure that the Federal Government is administered in a nonpartisan, effective manner.

The American public should not have to fear the possibility of politically partisan law enforcement, tax collection, Government contracting, or intelligence gathering. The Supreme Court has even recognized this potential problem by ruling that the Hatch Act is, indeed, constitutional.

I am concerned that the passage of this Hatch Act reform legislation could increase the possibility of political coercion. Having great interest and involvement in whistleblower protection, I learned long ago that, in the Federal bureaucracy, employees are often forced to go along to get along. It seems to me that many Federal employees recognize that if the protections of the Hatch Act are removed, they will be exposed to political pressure as well, and perhaps even abuse. Surveys of Federal employees indicate that most Federal workers support their protections under the Hatch Act. Even mail from my own constituents runs 10 to 1 in favor of preserving the Hatch Act.

The bill we are debating today reveals the very heart of the Hatch Act. This bill would permit Federal employees to engage in all forms of political activity, albeit after hours. They will be permitted to hold office in a political party, distribute campaign literature and solicit votes, publicly endorse candidates, and urge others to do the same. It is naive to think a Federal employee can be a neutral, nonpartisan public servant by day, and a staunch politico by night. The public should not have to question whether a Federal employee's politics plays a role in his or her official decisions. This is precisely what we must seek to avoid.

One of the most significant changes made by this bill relates to the solicitation of campaign funds. This change

is significant because under current law Federal employees are prohibited from soliciting campaign donations of any kind. Yet this bill would permit Federal employees to solicit campaign contributions from fellow union members to their union PAC. It is ironic that just a month ago the Senate passed campaign reform legislation outlawing PAC's. This bill dramatically increases the fundraising power of Federal employee and postal unions. As a result of this bill, 1 million more individuals will be able to solicit donations on behalf of these union PAC's. This abrupt change in policy forces many to question whether the intent of this bill is to increase the political rights of Federal workers or the bank accounts of union PAC's.

It is worth noting that employees of the Senate are prohibited from donating to the election campaigns of the Senators who employ them. This law has its origins in a bill passed in 1909. This law was not passed to restrict the rights of an individual to donate to political campaigns. Rather the law was passed to protect Senate employees from the expectation that they should donate to their bosses. Senate employees are free from this expectation and thus removed from undue pressure. It's only right that Federal employees be free from the same kind of undue pressure.

In order to protect these Federal employees from undue pressure, I am a cosponsor of an amendment offered by Senator KASSEBAUM which would maintain the current restrictions against campaign solicitation. This Republican amendment, along with a pair of amendments offered by Senator ROTH, are reasonable attempts to improve this flawed piece of legislation.

The Roth amendments, which I have cosponsored, exempt Federal employees with sensitive positions from the provisions of the bill. These amendments protect the auditors of the IRS and criminal investigators and prosecutors of the Department of Justice from unwanted political pressure and, in turn, protect the public served by these Federal offices.

Some of the provisions of the Hatch Act reform bill may seem reasonable on the surface, but careful study indicates otherwise. The status quo provides the best opportunity to balance the political rights of civil servants with the need for a nonpartisan, effective Federal work force. Today, a Federal employee can brush away political overtures by simply saying "I'm Hatched". All of this will change if this bill is passed. The only way to protect the public and Federal work force from unwanted political influence is to preserve the present framework of the Hatch Act.

Mr. LAUTENBERG. Mr. President, I rise in strong support of the Hatch Act Reform Amendments of 1993. It now ap-

pears that after many years of hard work, we will finally have Hatch Act reform enacted into law and Federal employees will have the right to free political expression consistent with their responsibilities as public servants.

In 1939, the Hatch Act was passed in the wake of a scandal in the Works Progress Administration. At the time, the Federal work force was full of patronage workers. But today's Federal work force is nothing like it was in 1939. Today's Federal employees are hard-working, dedicated public servants who are hired through a merit-based system. They serve the public despite pay that is often lower than for similar jobs in the private sectors, often work long hours and some labor in dangerous occupations.

Yet, the current Hatch Act seriously curtails these Federal employees' rights to participate in our democratic process. The Hatch Act Reform bill pending before the Senate gives back some rights to Federal employees that were taken away over 50 years ago. If this bill becomes law, most Federal employees will be able, off duty, to hold office in a political party, run for a nonpartisan office like school board, work on a political campaign, publicly support political candidates and solicit funds from employees in their labor organization.

Even with this bill, Federal employees would not have the same rights as non-Federal employees. They would still be prohibited, off duty, from running for partisan political office, solicit contributions from the general public, or coerce subordinates in any way. On duty, Federal employees could not engage at all in political activity.

While this bill only provides these limited rights, Federal employees understand that when they serve the public they will not be treated the same way as private sector employees. But the legislation before us provides them with the dignity of some free political expression. This legislation is long overdue for our hard working Federal employees and I am proud to have been an original cosponsor of this legislation. I urge my colleagues to support the Hatch Act Reform Amendments of 1993.

Mr. DECONCINI. Mr. President, I rise today in strong support of the Hatch Act Reform Amendments of 1993. I have long supported reform of the Hatch Act and do so again today. This legislation represents yet another opportunity to restore to Federal and postal employees the right to participate in the political process. For over 50 years, Federal and postal employees have been precluded from exercising a most basic and fundamental right of American citizenship. Although well intentioned at the time of its creation, the Hatch Act today is a maze of conflicting and

confusing regulations born of a bureaucracy which has succeeded in stripping the act of its original objectives. It is clear that the time for Hatch Act reform has long since past. On previous occasions, Hatch Act reform has passed this body only to be forestalled elsewhere. The bill before us is a good one which, when passed, will fulfill the original objectives of the Hatch Act.

While I support the goals and objectives of the Hatch Act, I take exception with the act as applied. The Hatch Act has left Federal employees speculating as to what conduct may or may not be proper. The purpose of any legislation should be to clarify the rights of individuals, not to mislead, confuse, and ultimately disenfranchise entire sections of our population. Yet, the latter has resulted with regard to the Hatch Act. For example the Hatch Act has resulted in ridiculous regulations such as those requiring all campaign signs placed on the cars of Federal employees to be smaller than 15 inches by 30 inches, or that Federal and postal employees may wear a campaign button, but they may not pass them out. I submit that these examples, of which there are many, many more, did not serve as the impetus to drafting the Hatch Act in 1939, but they serve as reminders of how far afield the law has strayed from its original goals. The current application of the law obscures legitimate goals in a sea of pointless rules and regulations and is the very type of bureaucratic idiocy which subverts the American public's confidence in our ability to govern effectively and efficiently. Today we have a chance to regain some of that confidence by reforming the Hatch Act and, for the first time in many years, make the act an effective component of the law.

In order for Hatch Act reform to be of any benefit, it must retain the original goal of protecting Federal employees from political coercion while balancing the rights of Federal and postal employees to participate in the political process away from the workplace. This bill strikes such a balance. As opposed to the present day Hatch Act, this bill affords Federal employees greater protection but does not do so at the expense of their constitutional rights.

This legislation, unlike current law, makes a clear distinction between on-duty and off-duty activity. No one who supports this reform is advocating a position which allows for political activity in the workplace. However, Federal workers who are off duty, on their own time, should and must be afforded the same access to the political process as are citizens who work in the private sector.

Opponents of this legislation would have you believe that it is little more than an open invitation to political coercion in the workplace. However, such a position is unsupportable. First, the

possibility of political pressure being used as a weapon against Federal employees, as it may have been in 1939 has been virtually eliminated by the implementation of the impartial system of merit and examination. Second, this bill prohibits an individual from utilizing his or her official authority to gain political advantage. (Section 7323.) Third, the bill eliminates the possibility that conflicts of interest may arise between a Federal employee and the agency for which he or she works. (Section 7324.)

In short, S. 185 is more stringent in its control of political activity in the workplace than is the current law. The prohibition on workplace activity is an absolute prohibition. No longer may Federal employees be allowed, as they are now, to wear campaign buttons in the workplace. The prohibition on running for partisan elected office remains applicable to Federal employees. Federal employees are also prohibited from soliciting political contributions from the general public. The punitive provisions of this bill far exceed those presently in place. Under this bill, any individual engaged in political coercion shall be fined up to \$5,000 or face up to 3 years in prison, or both. These restrictions are hardly consistent with a bill which will allegedly promote unchecked political coercion. On the contrary, this bill and the aforementioned restrictions strengthen and legitimize the regulation of unwarranted political activity in the workplace while restoring to Federal and postal employees their constitutional right to participate in democracy.

To date, the Hatch Act has created a second class of citizens amongst Federal and postal employees. In its simplest terms, the Hatch Act discriminates against Federal and postal employees simply because these people work for the Government. This inherent inequity must be resolved. This bill affords Federal and postal employees the right to voluntarily exercise their first amendment rights and engage in the political process on their own time. The key being that political activity will be voluntary and on their own time. There is no good reason why Federal and postal employees should be denied this most fundamental American right. No one would dare suggest that by electing to work for the Government employees sacrifice their constitutional rights. Yet, the continued application of the present day Hatch Act abrogates the rights of Federal employees without recourse. This practice is discriminatory and it is wrong.

Since my first Senate term, I have been an outspoken proponent of this type of reform. In the past, I have found the lack of action in this area to be both troubling and inexcusable. With the threat of a Presidential veto no longer looming on the horizon, this body has an unprecedented opportunity

to restore the rights of over 3 million Federal and postal employees. We must seize the moment and do the right thing. I am proud to be a cosponsor of S. 185. This is a quality piece of legislation, and I commend Chairman GLENN for his leadership on this issue.

The Federal employees of this Nation are a dedicated, hard-working group of individuals who, like all Americans, should be afforded access to the political process. Because this legislation affords that access and at the same time strengthens the prohibitions on political activity in the workplace, this body should pass S. 185 and rectify an injustice which has existed for far too long.

Mr. HATFIELD. Mr. President, for several decades the American Federal work force has been denied our most basic rights guaranteed under the first amendment of the U.S. Constitution. Today, we are considering legislation that will not only restore those rights but also recognize and validate our trust and confidence in the excellent work our Federal work force does for this great Nation.

The idea of limiting political activity for Federal employees has been a topic of debate dating back to 1883 when Congress passed the Civil Service Act, better known as the Pendleton Act. The first rule under the Pendleton Act declares that:

No person in the public service is for that reason under any obligation to contribute to any political fund, or to render any right to use his official authority or influence to coerce the political action of any person or body.

During the 1938 congressional elections, evidence was uncovered that Federal workers and Government money were used to influence the outcomes of primary campaigns. The discovery of coercion, improper use of official authority, and Government funds in the late 1930's severely eroded the public's confidence in the civil service and resulted in the enactment of the Hatch Act in 1939.

There is no question that the coercion and the improper use of official authority by Federal employees in the 1938 elections necessitated the restrictions contained in the Hatch Act. However, times have changed drastically since 1939 and many of the provisions contained in the Hatch Act have simply outlived their usefulness.

In the 54 years since the enactment of the Hatch Act, we have developed a professional civil service and a system of hiring and promotion based on professional merit rather than patronage, contributions, and favoritism. Furthermore, we have a Merit Systems Protection Board with which our workers can file appeals when they feel they have been dealt with unfairly. We also have a multitude of other laws which protect Federal workers from various types of political manipulation and coercion.

Some of the prohibitions contained in the Hatch Act are still just as important today as they were when it was first passed in 1939. For example, Federal employees should still be protected from political coercion and be barred from political activity when they are on the job, in their uniform, or on Government premises. However, other prohibitions have relegated our civil service employees to a second-class-citizens' status. Federal workers are currently restricted from exercising constitutionally guaranteed rights afforded to the general public like: Free speech, the right to assemble, and the right to petition the Government. These prohibitions prevent Federal employees from engaging in several activities like endorsing candidates in partisan elections, distributing campaign material, participating in political meetings, or simply holding office in a political party.

It is my opinion that by affording these simple rights to our civil service work force, we are modernizing this antiquated law. More importantly, by allowing more citizens to play an active role in the selection of their representatives in Government, we are strengthening the political system of this Nation.

Mr. President, our civil service work force is without question the most professional in the world. Yet, by enforcing some of the outdated provisions of the Hatch Act, we have essentially questioned their professionalism and integrity by denying them some of the most basic rights upon which our country was founded. For this reason among others, I support reforming the Hatch Act and congratulate Senator GLENN for his persistence in bringing this important reform legislation before the Senate. I am pleased to be a cosponsor of S. 185—the vehicle by which we will modernize the Hatch Act.

THE PARTISAN GOOD; NOT THE FEDERAL GOOD

Mr. KEMPTHORNE. Mr. President, I would like to take this opportunity to explain my vote against Hatch Act reform and why I believe that the steps we take today will go a long way to further diminish public trust in the Federal bureaucracy.

When I announced my intention to run for reelection as mayor of Boise City, I called together the Boise City department heads in a conference room in city hall and informed them first. In Idaho, municipal elections are non-partisan, but that does not mean that there is any less campaigning for the chief executive or city council positions. Factions and the citizenry line up for one candidate or another, generally on political or philosophical lines.

I told the department heads that I did not want them to donate money to

my mayoral campaign or to take an active part in my reelection. I asked that they communicate this desire to their employees. I reminded them that several department heads in that very room had campaigned for my opponent in my initial bid as mayor of Boise. As employees-at-will they were not protected by civil service, but I always believed that a person's sincere personal political opinions should not disqualify them for consideration in employment.

There were two good reasons for this request I made to the department heads on that afternoon. First, although I believe in this principle, I could not assure that a successful challenger would hold similar views. Perhaps more importantly, however, we as public servants bear a public trust. Our calling is a higher one. It is a calling to serve the people.

Anything that might compromise the bond between a people and its government must be measured exactly. The public trust in an impartial government can be irrevocably damaged through the entanglement of Byzantine political currents. There would be little to assure the citizens of this Nation that what is being decided, promoted, or protected through the actions of a Federal employee is for the Federal good and not the partisan good. There would always remain the nagging doubt in the minds of the public that the civil service had been jeopardized by political motivation for personal gain. Better assignments, promotions, or bonuses could indeed provide powerful motivation for those who might find their realization in partisan motives.

I hope that passage of this act will not lead to political coercion in the Federal workplace. Originally enacted in 1939 as a tool to protect against political coercion, the Hatch Act had successfully insulated the Federal service for political influence that would destroy essential political neutrality. It has been successful over the years in guarding civil servants, and the programs they administer, from political exploitation and abuse.

There has been no vast outcry for change from Federal employees who are represented as being those this legislation is supposedly benefiting.

Proponents of this reform believe this bill will draw a bright line between allowed and disallowed acts. They would permit partisan political activity off duty and prohibit such conduct on duty. In *United Public Workers versus Mitchell*, the Supreme Court said, "The influence of political activity by Government employees, if evil in its effects on the service, the employees or people dealing with them, is hardly less so because that activity takes place after hours."

Mr. President, Thomas Jefferson by Executive order first instructed Federal employees against taking part in

the "business of electioneering." I believe the act we have taken today will frustrate the wisdom of this long-standing injunction.

Mr. DURENBERGER. Mr. President, I rise today in support of S. 185, the Hatch Act Reform Amendments of 1993.

When the Hatch Act was enacted in 1939, the civil service was growing rapidly because New Deal programs were expanding the role of Government. People were concerned that this radically expanded civil service work force could be exploited for partisan political ends.

To prevent the potentially coercive effects of a partisan civil service—coercive to both the employees themselves and the public they serve—Congress prohibited civil servants from engaging in political activity. This ban applied—and still applies—whether the workers are on the job or on their own time.

But the fact is, Mr. President, that the prohibitions that might have made sense in 1939 do not make sense in 1993.

We now have a professional civil service work force—nearly 3 million people strong—that is hired and promoted on the basis of merit, not political connections. These Americans serve the public without regard to which party happens to hold political power.

It is no longer necessary that—to serve the public—these civil servants have to trade away their fundamental constitutional rights to political expression. I do not believe that in 1993 there is any defensible justification for suppressing the political expression of Federal employees when they are acting in their capacity as private citizens.

My interest in Hatch Act reform dates back to 1967, when I was chief of staff to Gov. Harold LeVander in Minnesota. I knew then, as I know now, that it is appropriate for public servants to be detached from political considerations on the job. But that they can and should be able to experience all rights of citizenship on their own time and in their own communities.

In Minnesota, State employees cannot use government time or government resources for political activity. But the State does not presume to tell them what they can and cannot do on their own time.

Until 1974, however, many employees of the State of Minnesota were subjected to the provisions of the Hatch Act because they worked in programs that administered Federal funds. Because Federal dollars touched their agencies, these workers were denied the same rights to political expression that other State employees—and all private sector employees—enjoyed as private citizens.

In 1974, Congress removed many of these restrictions from State and local employees. Congress did retain prohibitions on running for elective office in a partisan campaign and on the use of

coercion. But since the lifting of most of the restrictions on private political expression, States have not experienced an upsurge of employee misbehavior.

These are between 40,000 and 50,000 Federal workers in Minnesota. Not all of these workers want to get involved in partisan politics. But some of them wish that they could. And all should have the right to make that decision.

In the Twin Cities, for example, there are between 2,000 and 3,000 postal employees. These are well-informed citizens who have to pass civil service exams to get their jobs. They care about their communities, and many of them deserve the opportunity for involvement in politics in their off-duty hours.

They can lobby for postal-related issues at their local party caucuses. But they cannot speak in favor of a candidate, or even wave a sign.

They cannot serve on phone banks or stuff envelopes for a candidate.

When they are asked to serve as delegates to a county convention, they have to say "no," even though they are well-informed and care deeply about the issues.

It is simply ludicrous to believe that these workers are in danger of coercing the public because of the nature of their job. In the Twin Cities, only about 250 postal employees have direct contact with the public at the front desk. Even considering this public contact, does anyone really believe that the service these workers provide to postal customers will be compromised by their political activity in off-duty hours?

One of my constituents, Floyd Johnson, has been employed by the IRS for 33 years. He's served as chapter president of the National Treasury Employees Union, Local Chapter 29, for the last 15 years. And he'll be retiring later this year.

About 7 or 8 years ago, when Floyd's daughter turned 18, she told her father that she wanted to learn more about the political process. Like any good father, he took her to his local precinct caucus in Mahtomedi, MN. Floyd Johnson happens to be a Democrat. And so he took his daughter to the Mahtomedi DFL caucus.

Because he was well known and well respected by his neighbors and colleagues, Floyd was asked his opinion on a number of different issues of the day. He apologized, but told his friends that although he could vote—silently—he could not address the caucus because the Hatch Act restricts the political involvement of Federal employees.

Floyd's daughter was shocked. Her first real experience with the American political process—the most open, democratic system in the world—was one of restrictions, conditions, constraints, qualifications, and limitations. She went to school and told her

friends: "Would you believe it, my father works for the U.S. Government and he can't even take part in the democratic process."

Why are we singling out Government employees for the suppression of political expression? These men and women have proved their patriotism by choosing careers in public service. Yet we have rewarded that public-spiritedness by reaching into their private lives and cutting off their right to political participation.

That is why I am supporting Hatch Act reform this year. Indeed, that is why I voted to override President Bush's veto of Hatch Act reform back in 1990.

The bill we are considering today strikes a just balance between protecting the workplace from inappropriate partisanship, and safeguarding the right of workers to participate meaningfully in the political process.

This bill still prohibits on-the-job political activity, and actually strengthens the penalties for violations. It allows off-duty employees to participate in party activities and do volunteer work for political candidates.

To those who are concerned about opening the door to coercion of the public or coercion of employees in the workplace, the Senate bill offers many protections:

Unlike the House bill, the Senate bill would not allow civil service employees to solicit campaign contributions from the public, or to run for partisan elected office.

As amended, the Senate bill keeps certain employees who work in very sensitive government positions under the original provisions of the Hatch Act.

And there are strict penalties—up to 3 years in prison and a \$5000 fine—for civil servants who coerce subordinate employees.

The bill makes it absolutely clear that political coercion will not be tolerated. Even after Hatch Act reform is enacted, the basic premise of the Hatch Act will remain—Federal employees will be barred from using their official authority or influence for political coercion of interfering with an election. Period.

Under Hatch Act reform, political activity must be purely voluntary. Hatch Act reform will not require anyone to engage in political activity—it will merely allow a significant number of disenfranchised citizens the right to participate if they choose to do so. If their decision to participate is coerced, that coercion will be met with stiff penalties.

I believe that the Senate bill strikes a better balance between allowing political expression and preventing the possibility of coercion than the House version of Hatch Act reform. I trust that the Senate conferees will fight vigorously for adoption of the Senate version.

Mr. President, this is a bill about political empowerment—the third major piece of legislation we have considered so far this year that enhances the power of citizens in the political process.

With the motor-voter bill, we eliminated barriers to voter registration for citizens across the country. In our discussions of campaign finance reform, we have sought to restore people's confidence in the process that elects their representatives.

It is my hope that in our vote on Hatch Act reform, we will restore the right to political expression to nearly 3 million Americans in public service.

Mr. President, it is to be expected that when this body considers legislation that affects the political process, there will almost certainly be heavy partisan overtones in the debate. When changes are proposed by one party, I can understand why the other party might view the proposals with a certain degree of suspicion.

That is why I find it so encouraging that on motor-voter, campaign finance reform, and Hatch Act reform, both sides have compromised to accommodate concerns raised by the other party. This is a model of how the system should work—political reforms absolutely have to be bipartisan.

This does not mean that everyone will be happy with the result. But in my experience, when the parties are sharply divided on an issue, the truth usually lies somewhere in the middle.

We are making progress on increasing access to the political process for all Americans. That is an accomplishment that should make us proud. But our work must not end here—in fact, this is where the real work begins.

We need to educate Americans about the issues that affect our Nation—so that we have not just more participation in the democratic process but better participation. I look forward to working with my colleagues from both parties to tackle this important task.

Senate Chaplain Richard Halverson was absolutely on target in an opening prayer he delivered last month. As I'm sure you will remember, he reminded us of the words engraved on the Dirksen Building—"The Senate Is a Living Symbol of the Union of the States." And he asked us to remember that when we are united, we can be a truly awesome force for good.

These are words we ought to remember as we reform the political process—and indeed, in all the important work we do for the American people. The Federal workers of Minnesota have been waiting long enough for us to be united on this issue—and they have waited long enough for the right to full participation in the political process.

Mr. COATS. Mr. President, I rise today to state my opposition to S. 185. The practical effect of this legislation is a weakening of the Hatch Act which,

since 1939, has successfully protected civil servants from political exploitation and ensured the integrity of the day-to-day operations of the Federal Government.

S. 185 would remove current restrictions that prohibit Federal workers from engaging in various political activities, including soliciting contributions for political action committees and managing political campaigns. By destroying the neutrality of the Federal work force, this legislation opens the door to ethical conflicts in election campaigns, renders civil servants vulnerable to coercion in the workplace and creates, at the very least, the perception of partisan influence in the administration of Federal programs.

The American people must be confident that the Federal work force is working independently of political agendas and partisan pressures. It is a tragic misreading of our current political situation for Congress to respond, when Americans call for change, by giving bureaucrats more partisan political power.

Mr. WARNER. Mr. President, a little more than 3 years ago, I joined with 10 of my Republican colleagues and voted to override President George Bush's veto of near identical Hatch Act reform legislation. Our votes, together with those of our colleagues across the aisle, fell just short of carrying the day.

We are now presented with a new bill, S. 185, to accomplish these changes, and it appears that our efforts will finally be met with success.

I would like to take just a few moments to register my views on amendments to the bill considered on July 14 when I was necessarily absent from the Senate.

Amendment 563, approved 88 to 7: I heartily concur that an employee should be separated following the first rather than second Hatch Act violation.

Amendment 564, approved by unanimous consent: I would have had no objection to retaining the present Hatch Act protections for employees of the District of Columbia.

Amendment 565, approved 92 to 4: I would have gladly underscored the intent of the Senate to prohibit Federal employees from running for partisan elective office and from directly soliciting members of the public for political contributions.

Amendment 566, tabled 62 to 34: It is likely that I would have been in the minority favoring an exercise in democracy as here described in a Federal employee referendum.

Amendment 567, tabled 62 to 33: I would have joined the majority in opposing the extension of the Hatch Act reform bill to the uniformed services.

Amendment 568, approved by unanimous consent: I would have welcomed this clarification that the uniformed services would not be affected by the

separate title in the bill concerning garnishment of civilian employee wages for bad debts.

Mr. President, S. 185 proposes to allow Federal employees, outside the workplace, to participate like their fellow citizens in partisan politics. While restricted from running for partisan elective office itself, Federal employees could hold an office in the local political party of their choice, serve as a precinct captain, or simply be given a voice on local partisan issues.

Admittedly, there have been reservations among the leadership of my party regarding the impact of broader partisan activities among the Nation's 2.9 million Federal civilian employees and postal workers.

I was, therefore, pleased to lend my support to a core package of widely endorsed amendments offered by Senator WILLIAM ROTH, of Delaware, ranking minority member of the Governmental Affairs Committee, and Senator ALAN SIMPSON, of Wyoming, the assistant minority leader.

Under the core package, the majority and minority leadership agreed by unanimous consent to retain present Hatch Act restrictions for Federal employees at such sensitive agencies as the Federal Election Commission, the Federal Bureau of Investigation, the Secret Service, the Central Intelligence Agency, the National Security Counsel, the Merit Systems Protection Board, and others. Career members of the Senior Executive Service will also be exempted to assure the existence of an impartial, nonpartisan buffer zone between the political appointees of the President and the Government's career civil servants. Furthermore, in a successful amendment on the floor of the Senate (56-43), we agreed to the exclusion of the Criminal Division of the U.S. Department of Justice.

Having served in a number of capacities as a Federal employee myself, I believe I bring a unique background of understanding to this legislation. Since my earliest job experiences, it has been my good fortune to work closely with both Federal and postal workers, and I have never failed to be impressed with their sense of dedication and public service.

I have confidence in the shared commitment of the Federal work force to making the long awaited reform of the Hatch Act a positive contribution to our bipartisan political process.

Mr. LEVIN. Mr. President, we are once again considering legislation which seeks to modify the current restrictions on political activity by Federal employees. We were only two votes short of overriding a veto by President Bush of this legislation in the last Congress. This time around, after many years of fighting the good fight to enact legislation which both protects the impartiality of Federal workers while allowing them active participa-

tion in the democratic process—it looks as though we will finally succeed.

The legislation we are considering today, S. 185, is the product of a great deal of time and effort on both sides of the aisle to devise a bill which, while prohibiting activities which can lead to unacceptable behavior, does allow Federal employees to engage in appropriate political activities.

The House has already passed its version of Hatch Act reform by an overwhelming margin. It is time for us to do the same. I want to take this opportunity to commend my colleague, Senator GLENN, for his strong leadership in developing this legislation and bringing us to this point.

In the most general terms, the Hatch Act prohibits employees of the executive branch, except for certain top political appointees, from taking "an active part in political management or in political campaigns." The act also prohibits executive branch officers or employees from using their "official authority or influence" to interfere with or affect the result of an election.

Those provisions sound very simple and straightforward. However, there are some 3,000 specific regulations in place under the Hatch Act to implement this law. The specific restrictions laid out by these governing regulations are oftentimes confusing and inconsistent and in some respects needlessly deny political freedoms to millions of U.S. citizens without any offsetting public benefit.

For instance, a Federal employee can put up a sign under certain circumstances, write a letter to the editor under certain circumstances, wear a political button to work under certain circumstances, and can even give a campaign contribution of up to \$1,000. But that same Federal employee cannot stuff envelopes or do any other volunteer activity on behalf of a particular campaign or political party during nonworking hours. Moreover, there is a real problem in defining those certain circumstances as the guidelines try to do.

So the Hatch Act has become a Swiss cheese law full of arbitrary and oftentimes unnecessary do's and don'ts. A statute that was aimed at protecting Federal employees from retaliation has become a statute which needlessly discriminates against employees in their most basic rights.

What we need to do now is enact a law which prohibits those activities which can lead to the types of coercive and unacceptable behavior in evidence 50 years ago but allows this Nation's Federal employees to engage in appropriate, noncoercive political activities.

S. 185 achieves that goal. I urge my colleagues to join in support of this important legislation and vote for its passage.

Under the current guidelines, certain activities are permissible depending on

an employee's state of mind, but that same activity can be a violation if it is perceived as being in coordination or in concert with a political campaign. And, for the most part, you cannot get a quick, definitive answer as to whether or not an activity is prohibited. You almost need a court decision on the specifics of each situation.

If I were a Federal employee faced with that kind of advice in terms of what I could and could not legally do, my best option would be to stay away from the process altogether. But that is not what was intended by the Hatch Act, although that is—to a large extent—what has resulted, and it is not fair.

There are those who argue that all political activity by Federal employees should continue to be prohibited due to concerns that the allowance of any such activity would do damage to the public perception of an impartial civil service. I do not believe, for example, that the public cares if a clerk at the VA or a computer operator at the Commerce Department stuffs envelopes for the local mayoral candidate in a partisan election or assists in enhancing the democratic process by participating in get-out-the-vote initiatives for a particular party. In fact, I think many individuals would be surprised to learn that Federal employees are barred from such activities.

However, when money is involved, at a minimum subtle pressure is involved, and I do believe that the American public cares if their local postal carrier comes to the door asking for campaign contributions or their local tax clerk does the same. Federal procurement officers should not solicit funds from Federal contractors, and supervisory personnel should not be able to pressure subordinates to engage in political activity. The American public also cares, and rightly so, that individuals employed by the Federal Government not use their influence as a Federal employee for political ends.

S. 185 retains the restrictions against these types of activities by prohibiting all on-the-job political activities and disallowing any general solicitations of contributions by Federal employees anywhere at anytime.

The prohibition on running for partisan political office is also retained, with one exception; that is, Federal employees would be allowed to run for offices within a party organization and affiliated groups; that is, convention delegate.

The bill maintains restrictions on and penalties for the use of one's official position to influence the course or outcome of an election.

Moreover, S. 185, at the suggestion of OPM Director King, also contains a new provision which puts in place a clear prohibition on the use of political recommendations in hiring and promotion decisions for career civil service employees.

Fifty years ago, the culture in the Federal Government was quite different from the way it is now. There was a substantial increase in the number of Federal agencies and, subsequently, in the number of individuals employed by the Federal Government. The bulk of these new agencies and new employees were not placed under the jurisdiction of the Civil Service Commission and, thus, some 300,000 new Federal employees were not covered by civil service laws and merit hiring practices. As a result, many of the positions were filled with individuals who were essentially rewarded with Federal jobs for their political activities and contributions.

In response to this situation, Senator Hatch introduced S. 1871, a bill to prevent pernicious political activity. This bill was signed into law in August of 1939 and has since become known as the Hatch Act. The Hatch Act was enacted in an attempt to restore public trust in the Federal work force by instituting guidelines to guard against the politicization of that work force and to preserve its impartial character.

A legislative remedy to end that corruption and restore the integrity of the Federal service was appropriate and necessary. The Hatch Act was designed to attain that goal—one with which I wholeheartedly agree. An impartial Federal work force, free from political coercion, is essential to the fair and effective execution of Government programs and policies, but the Hatch Act itself now needs to be refined.

Mr. President, when the Senate last considered Hatch Act reform, I quoted two exchanges I had with Mary Wieseman, then-Special Counsel responsible for overseeing and prosecuting Hatch Act violations, during hearings in the Governmental Affairs Committee on Hatch Act reform.

The first exchange was on February 24, 1988, I was asking Ms. Wieseman to explain the scope of the Hatch Act prohibitions as they applied to specific acts:

Senator LEVIN. Just one question, Mr. Chairman, of Ms. Wieseman.

Can a Federal employee now independently, not in concert with any other organization, distribute his or her own literature?

Ms. WIESEMAN. Campaign literature?

Senator LEVIN. Yes.

Ms. WIESEMAN. I would have to know what literature is being distributed. It specifically says in the regulation, campaign literature may not be distributed. The Federal employee cannot run for office so it could not be his own campaign literature.

Senator LEVIN. No. My question is his or her own designed literature.

Ms. WIESEMAN. His or her own designed campaign literature?

Senator LEVIN. Yes. In other words, I put out a brochure as to why I think a certain candidate is the greatest candidate and I walk up and down my block handing it out.

Ms. WIESEMAN. No. A Federal employee may not do that.

Senator LEVIN. Even though I design my own literature?

Ms. WIESEMAN. That is right. That would be soliciting votes for a partisan—I have to say—if it is a partisan political campaign, of course, then that would be soliciting.

Senator LEVIN. But that is not expression?

Ms. WIESEMAN. That goes over the line from personal expression to campaigning.

Senator LEVIN. So I can put the sign in my yard?

Ms. WIESEMAN. Yes.

Senator LEVIN. That is expression. And I can write the letter to the editor, you say?

Ms. WIESEMAN. Yes.

Senator LEVIN. I can write the letter to the editor but I cannot hand that letter to my neighbor?

Ms. WIESEMAN. Yes, you may hand that letter to your neighbor.

Senator LEVIN. Can I hand it to my block?

Ms. WIESEMAN. That becomes a question of the facts and circumstances surrounding how you are doing it.

Senator LEVIN. I gave you all the facts right then. It is not concerted.

Ms. WIESEMAN. Yes. I think you probably could.

Senator LEVIN. Then I can hand it to my whole area?

Ms. WIESEMAN. That would be a real question of whether you are soliciting votes for a candidate at that time. And if, in your literature—

Senator LEVIN. This is a letter to the editor soliciting votes for a candidate?

Ms. WIESEMAN. Well, Senator, I guess we are getting down to the question we are balancing here. We are balancing private expression—

Senator LEVIN. I just want the answer to the question. I know it is balancing. But, can I write a letter to the editor soliciting votes for a candidate?

Ms. WIESEMAN. You may not solicit votes for a candidate in your letter.

Senator LEVIN. I can say, he or she is the greatest candidate?

Ms. WIESEMAN. Yes.

Senator LEVIN. But I cannot say, vote for him or her?

Ms. WIESEMAN. That is right.

Senator LEVIN. So that you are going to start censoring the content of my letter?

Ms. WIESEMAN. It is not the content. What you are doing with the letter is soliciting votes for a partisan political candidate, and that is prohibited.

Senator LEVIN. I just wrote the letter. I can say, he or she is the greatest candidate; that is okay?

Ms. WIESEMAN. Yes.

Senator LEVIN. I cannot say at the end, so I hope everybody will vote for him or her; is that right?

Ms. WIESEMAN. That would be a question at that point in soliciting votes in your letter.

Senator LEVIN. I am asking you for your answer to the question.

Ms. WIESEMAN. Whether we would prosecute that case or not? That is certainly a different question.

Senator LEVIN. No; whether it is legal or not, not whether you would prosecute. Is it legal?

Ms. WIESEMAN. I think that would—I hate to give opinions here in front of the Senate without the advantage of looking at prior opinions, but in my view that would be going beyond the line to say, I ask your support for the candidate, vote for this candidate, I encourage you to vote for this candidate. That is soliciting support for a partisan political candidate.

The following year, on July 25, 1989, we resumed our discussion:

Why is it okay to go to a rally but not okay to invite your neighbor to go to the rally with you?

Ms. WIESEMAN. You could invite your neighbor to go to a rally with you.

Senator LEVIN. You can? Could you give your neighbor a piece of paper saying there is a rally tomorrow?

Ms. WIESEMAN. Senator, since the last time we had this colloquy at the last hearing, I am sure you are aware that the courts have ruled on some of the issues that we discussed at that time. In our discussions last time, we were talking about the number of letters that might be written to a newspaper, et cetera.

Senator LEVIN. With regard to the rally question, can you give your neighbor a brochure saying there is a rally tomorrow?

Ms. WIESEMAN. What the court said in the *Biller, Blaylock and Sombrotto* case in interpreting the Hatch Act—and, of course, the courts are the ones who make the final interpretation of what the Hatch Act prohibits, we try to give that information to Federal employees but the courts are the ones that make that determination—is that expression by Federal employees of political opinions is unrestricted by the Hatch Act so long as that expression is not in concert with or in connection with or on behalf of partisan candidates of campaigns. That is what the court said, and that is a new interpretation of the Act.

We are in the process of applying those broad principles to particular factual situations. That is our job. We have revised our Hatch Act booklet—it is at the printer—to make those points. So I think it would be—

Senator LEVIN. What is the booklet going to tell us about my question?

Ms. WIESEMAN. Pardon me?

Senator LEVIN. What is that booklet that is at the printer going to answer to my question?

Ms. WIESEMAN. It is going to talk about the broad principles that I just iterated about the in concert—

Senator LEVIN. My fact situation.

Ms. WIESEMAN. If it is in concert with—as the court said—if it is in connection with, on behalf of, or in concert with a political party or campaign, it is prohibited by the Hatch Act. That is the criteria that the courts set up, the 2nd Circuit and the 11th Circuit. That is what we are interpreting.

Senator LEVIN. Now, my question is, I can invite my neighbor to the rally orally but I cannot hand the brochure, or I can hand the brochure?

Ms. WIESEMAN. If it is in concert with, on behalf of or in connection with—that is what the court said—a partisan political campaign or activity, it is prohibited. If it is not, it is permissible.

Senator LEVIN. Either oral or in writing?

Ms. WIESEMAN. Yes.

Senator LEVIN. So that whether I can invite my neighbor, or cannot invite my neighbor orally to that rally may depend upon my intent?

Ms. WIESEMAN. The only thing I can say, Senator, is what the court said. And we are dealing with factual situations every day in this area. We have to tell the employees, you may partake in this activity if you are not doing it in concert with, in connection with, or on behalf of a partisan political campaign or candidate. And those are the court's words and that is what we are interpreting and telling Federal employees currently.

Senator LEVIN. Did the Administration argue against that decision by that court?

Ms. WIESEMAN. The case was argued by the Merit Systems Protection Board. They have

litigating authority. It was an action brought by my predecessor, and the Board found that there was a violation of the Hatch Act in the factual circumstance. And the case was argued in the appeals courts by the Merit Systems Protection Board attorneys.

Senator LEVIN. Let me just address, then, the Attorney General's Office, the Department of Justice.

It seems to me what we have done here, basically, is—you used the phrase, I believe, Mr. Dennis, that we need a blanket prohibition. We don't have a blanket prohibition. We have got a piece of Swiss cheese, basically, with the most complicated do's and don'ts that are conceivable.

You can put a bumper sticker on your car but you cannot give a bumper sticker to your neighbor if it is—what are the words?

Ms. WIESEMAN. You can give the bumper sticker unless it is in concert with, in connection with, or—

Senator LEVIN. What was the second word? In concert with or what?

Ms. WIESEMAN. On behalf of.

Senator LEVIN. Behalf of. So—

Ms. WIESEMAN. You cannot campaign for—

Senator LEVIN. I understand.

Ms. WIESEMAN [continuing]. A political party.

Senator LEVIN. I understand. I can put a bumper sticker on my car, wear a button, but I cannot give a bumper sticker to my neighbor if I am doing that on behalf of a campaign. I cannot go and stuff envelopes in a campaign office.

S. 185 corrects the flaws of the Hatch Act in a fair way. We should enact it promptly.

TODAY'S HATCH ACT

Mr. RIEGLE. Mr. President, as a cosponsor of the legislation before us, I would like to add my voice in support of reforming the Hatch Act. As we all know, this is not the first time we have tried to update the Hatch Act. Many of us have spent years supporting the political rights of civil servants, pressing to see this legislation passed into law. After being vetoed twice by Presidents in the recent past, it is heartening to see an administration receptive to this legislation that would grant Federal and postal employees long-deserved political freedoms.

The Hatch Act that we are debating today is not, as some would have you think, a repeal of the original legislation but an overdue revision of laws affecting civil servants. The original Hatch Act, enacted over 50 years ago, was designed to prevent political coercion of Federal employees in the work place. In 1939, the law was necessary to prevent managers and supervisors from exerting undue political influence over their subordinates.

Today, in 1993, many of the provisions of the Hatch Act are still valuable parts of the law. For instance, laws that prohibit civil servants from participating in the political process during their work day are needed to uphold the integrity of the Federal Government.

Although these restrictions are needed, there are many provisions of the original law that are outdated and un-

necessary as they apply to today's Federal employees. I would like to take a minute to discuss some of these changes because I have heard from some opponents of the bill who feel strongly that the Hatch Act goes too far in granting political liberties to civil servants.

Unlike the House version of the legislation, the Senate bill does not allow civilian workers to run for partisan elective office at a local level. It also disallows Federal employees from soliciting money from the general public for political purposes. The House provisions raise concerns about the traditional nonpartisan status of employees in sensitive Federal positions at agencies such as the Department of Justice, the Internal Revenue Service, or the Central Intelligence Agency.

I strongly believe that all American citizens should have the right to openly express their political views. There is no reason that Federal employees should be denied the civil liberties of participating in the political process while not on duty in a Federal Government job. The authors of the bill have gone to great lengths to ensure that violators of the Hatch Act are fined and terminated from their positions; strict regulations were created to dissuade officials in positions of authority from improperly wielding political influence over their subordinates.

With these controls in place, I think the time has come to grant civil servants the political freedoms the rest of the American population enjoys. I am pleased to see that these important Hatch Act reforms are well on their way to becoming law and urge my colleagues to support this important piece of legislation.

Mr. ROTH. Mr. President, I yield back the remainder of my time.

Mr. GLENN. Mr. President, I yield back the remainder of my time.

Mr. President, I ask that it now be in order to move to table en bloc amendments 597, 600, 601, and 602 and ask for yeas and nays on final passage of H.R. 20, and that it be in order to request the yeas and nays on motions to table and final passage with one show of hands.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. Mr. President, reserving the right to object, am I correct in understanding that there will be a separate vote, yeas and nays on each of the four amendments and final passage?

Mr. GLENN. There will be a final vote. I will move to table.

The PRESIDING OFFICER. The Chair will respond, on the unanimous-consent proposal, that the Senator from Delaware is correct in his understanding.

Mr. ROTH. There will be a vote on each.

Mr. GLENN. Yes. They would be separate votes.

Mr. ROTH. What if we win on a motion to table?

The PRESIDING OFFICER. The Chair will say to the Senator from Delaware that if the motion to table is not agreed to, there would be for consideration a vote on passage of the amendment.

Mr. GLENN. But there would not be time for debate on defeat of the motion to table and consideration of the amendment; is that correct?

The PRESIDING OFFICER. The Senator from Ohio is correct.

Mr. ROTH. But there would be a separate vote on the amendment?

Mr. GLENN. There would be a separate vote on the amendment, as I understand.

Mr. ROTH. At that time we could ask for the yeas and nays if we so choose.

The PRESIDING OFFICER. The Senator from Delaware is correct.

Mr. ROTH. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

Mr. GLENN. Mr. President, I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is noted.

The clerk will please call the roll.

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

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

Mr. MITCHELL. Mr. President, I now wish to use a portion of my leader time for a brief statement and then an announcement with respect to the Senate's schedule later today.

DEATH OF MYRON WALDMAN

Mr. MITCHELL. Mr. President, I rise to express my sorrow at the death of Myron Waldman, known to all of us as Mike Waldman, a long-time congressional reporter who passed away earlier this week.

Mike was the senior congressional correspondent for New York Newsday, having joined that paper 30 years ago. He began his career at Newsday covering politics as the paper's Albany correspondent and as its Nassau County political and government writer.

In 1967, Mike moved to Washington where he covered nearly all aspects of national politics. He served as a White House correspondent, covered every Presidential election since 1964, and served as Newsday's lead reporter during the House Judiciary Committee's impeachment proceedings against President Nixon.

Mike was known for his direct questions and his persistence in tracking

down a story. He was never timid about asking a question again and again and again. Mike will be sorely missed by those of us who have the honor to serve in Congress and by the many thousands of readers who learned about our work through his reporting.

On behalf of every Member of the Senate, I extend our condolences and prayers to Mike's wife, Jean, and their three sons.

HATCH ACT REFORM AMENDMENTS

The Senate continued with the consideration of the bill.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, under the order now governing the disposition of the pending bill, there will be a series of votes beginning at 2:15 p.m. It is my understanding that there will be votes on four amendments followed by a vote on final passage of the bill. That means a total of five votes will occur beginning at 2:15 p.m. The first vote will be a regular 15-minute vote with a 5-minute allowance for those Senators who are not present at the end of the 15 minutes. All succeeding votes will be for 10 minutes each.

So Senators should be aware that all of the votes after the first vote will be for just 10 minutes and they should remain in the Chamber if they wish not to miss one of those votes.

I repeat. The second through the fifth votes will be for 10 minutes each. Senators should remain in the Senate Chamber so that we can complete action promptly on that measure.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS

Mr. MITCHELL. Mr. President, I am advised by the manager, the distinguished Senator from Ohio, that all time has been yielded back. Therefore, I ask unanimous consent that the Senate stand in recess until 2:15 p.m. pursuant to the previous order.

There being no objection, the Senate, at 12:23 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. CONRAD].

HATCH ACT REFORM AMENDMENTS

The Senate continued with the consideration of the bill.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I want to repeat a statement I made earlier today, for the benefit of Senators, dealing with the procedure in the upcoming votes.

There will now be five consecutive votes. The first vote will be under the normal time constraints—a 15-minute vote, with a possible additional 5 minutes for those Senators not present. The succeeding five votes will be 10 minutes each.

In this case, I want to make clear to Senators that 10 minutes means 10 minutes. It does not mean 11 minutes or 10½ minutes. It means 10 minutes. Any Senator not present on the Senate floor at the conclusion of 10 minutes on the second through the fifth vote will miss the vote.

Everybody has had ample notice of this. This is an effort to operate in a constructive and efficient manner. I thank my colleagues for their cooperation.

VOTE ON MOTION TO TABLE AMENDMENT NO. 597

The PRESIDING OFFICER. The question now occurs on the motion to table the Domenici amendment No. 597.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—56

Akaka	Feinstein	Mikulski
Baucus	Ford	Mitchell
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boren	Harkin	Murray
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Inouye	Pryor
Bryan	Johnston	Reid
Bumpers	Kennedy	Riegle
Byrd	Kerrey	Robb
Campbell	Kerry	Rockefeller
Conrad	Kohl	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Shelby
Dodd	Levin	Simon
Dorgan	Lieberman	Wellstone
Exon	Mathews	Wofford
Feingold	Metzenbaum	

NAYS—43

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger

Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack

McCain
McConnell
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—1

Murkowski

So the motion to lay on the table the amendment (No. 597) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion was agreed to.

The PRESIDING OFFICER. Without objection, the motion to lay on the table is agreed to.

Mr. MITCHELL. Mr. President, may we have order?

The PRESIDING OFFICER. May we have order in the Chamber, please?

The question now is on the motion to table the Roth amendment numbered 600.

Mr. MITCHELL. Mr. President, I want to repeat what I have previously stated on several occasions earlier today so there can be no misunderstanding. This vote and the three votes to follow it will be 10 minutes in duration; 10 minutes and 10 minutes only. Any Senator who is not present will miss the vote. I encourage all Senators to remain on the floor.

VOTE ON MOTION TO TABLE AMENDMENT NO. 600

The PRESIDING OFFICER. The question now is on the motion to table the Roth amendment numbered 600. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—50

Akaka
Baucus
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Durenberger
Exon
Feingold
Ford

Glenn
Graham
Harkin
Hatfield
Inouye
Johnston
Kennedy
Kerrey
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell

Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—49

Bennett
Biden
Bingaman
Bond
Boren
Boxer
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole

Domenici
Faircloth
Feinstein
Gorton
Gramm
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Jeffords
Kassebaum
Kempthorne
Kerry
Lott

Lugar
Mack
McCain
McConnell
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—1

Murkowski

So the motion to lay on the table the amendment (No. 600) was agreed to.

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

Mr. MITCHELL. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

VOTE ON MOTION TO TABLE AMENDMENT NO. 602

The PRESIDING OFFICER. The question now is on agreeing to the motion to table the Roth amendment No. 602. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

The PRESIDING OFFICER (Mr. GRAMM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 43, nays 56, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—43

Akaka
Baucus
Boxer
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Feingold
Glenn

Graham
Harkin
Hatfield
Inouye
Johnston
Kennedy
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun

Moynihan
Murray
Nunn
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—56

Bennett
Biden
Bingaman
Bond
Boren
Bradley
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger

Exon
Faircloth
Feinstein
Ford
Gorton
Gramm
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Jeffords
Kassebaum
Kempthorne
Kerry
Kohl

Lott
Lugar
Mack
McCain
McConnell
Nickles
Packwood
Pressler
Reid
Robb
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—1

Murkowski

So the motion to table the amendment (No. 602) was rejected.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on the Roth amendment (No. 602), as offered. Is there further debate on the amendment?

Without objection, the amendment is agreed to.

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

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON MOTION TO TABLE AMENDMENT NO. 601

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the Kassebaum amendment (No. 601). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chair advises the Senate that this will be a 10-minute rollcall vote.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—58

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Durenberger
Exon
Feingold
Feinstein

Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski

Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Stevens
Wellstone
Wofford

NAYS—41

Bennett
Bond
Boren
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell

Craig
D'Amato
Danforth
Dole
Domenici
Faircloth
Gorton
Gramm
Grassley
Gregg

Hatch
Hatfield
Helms
Hutchison
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain

McConnell
Nickles
Packwood
Pressler

Roth
Simpson
Smith
Specter

Thurmond
Wallop
Warner

Hutchison
Kempthorne
Lott
Lugar
Mack

McConnell
Nickles
Pressler
Roth
Simpson

Smith
Thurmond
Wallop

NOT VOTING—1

Murkowski

So the motion to lay on the table the amendment (No. 601) was agreed to.

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

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Pursuant to the order, the Senate bill is considered read a third time, and the clerk will report the House companion bill.

The legislative clerk read as follows:

A bill (H.R. 20) to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

VOTE ON H.R. 20, AS AMENDED

The PRESIDING OFFICER. Pursuant to the order, the text of S. 185, as amended, is substituted for the text of H.R. 20, and the bill is considered read a third time.

The question is on passage of H.R. 20, as amended.

The yeas and nays are ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 31, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—68

Akaka	Ford	Mikulski
Baucus	Glenn	Mitchell
Biden	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Bradley	Hatfield	Nunn
Breaux	Heflin	Packwood
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Jeffords	Reid
Campbell	Johnston	Riegle
Chafee	Kassebaum	Robb
Conrad	Kennedy	Rockefeller
Craig	Kerrey	Sarbanes
D'Amato	Kerry	Sasser
Daschle	Kohl	Shelby
DeConcini	Lautenberg	Simon
Dodd	Leahy	Specter
Dorgan	Levin	Stevens
Durenberger	Lieberman	Warner
Exon	Mathews	Wellstone
Feingold	McCain	Wofford
Feinstein	Metzenbaum	

NAYS—31

Bennett	Cochran	Fairecloth
Bond	Cohen	Gramm
Boren	Coverdell	Grassley
Brown	Danforth	Gregg
Burns	Dole	Hatch
Coats	Domenici	Helms

NOT VOTING—1

Murkowski

So the bill (H.R. 20), as amended, was passed.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL addressed the Chair. The PRESIDING OFFICER. The Senator from Maine, the majority leader.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the Senate insist on its amendment, request a conference with the House on disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MITCHELL. Mr. President, I would like to inquire of the distinguished Senator from Delaware, who has just made the objection, what the reason is for the objection?

Mr. ROTH. I would say to our distinguished leader that I have the right to object, and at this time we are not ready to go to conference.

Mr. MITCHELL. Mr. President, the Senator does have a right to object. He does not have to give a reason if he does not want to. But I was inquiring whether he could, as a matter of courtesy, tell us what the reason is so that we could then attempt to address it.

Mr. ROTH. I say to the leader, at this time, we would prefer to see what action the House takes.

Mr. MITCHELL. Mr. President, I simply say to my colleagues that the Senate rules do require consent to proceed to the appointment of conferees.

Mr. ROTH. The last time, in 1990, the House did accept the Senate bill.

Mr. MITCHELL. Mr. President, the Senate rules do require unanimous consent to proceed to the appointment of conferees or, in the absence of unanimous consent, the making of a motion and the filing of cloture on that motion.

It has been a regular accommodation, whoever has been in the majority, to permit the Senate to proceed to appoint conferees.

If we are now to be confronted with a situation where we have to file a motion and file cloture and have a filibuster on a motion to appoint conferees, I will say to my colleagues I have to take that into account and the Senate is going to be in for some very long days, nights, and weekends if we have to do this.

Mr. President, objection has been made. I will now have to consult with the distinguished chairman and our colleagues to determine the appropriate course of action.

I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent to proceed in morning business for a period not to exceed 4 minutes.

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

The Senator from Illinois is recognized.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President.

NOMINATION OF DR. JOYCELYN ELDERS TO BE SURGEON GENERAL

Ms. MOSELEY-BRAUN. Mr. President, I am here today during this lull in the legislative deliberations to speak in support of the nomination of Dr. Joycelyn Elders for the post of U.S. Surgeon General. I have made it a practice to refrain from passing judgment or speaking publicly on nominees who come before the Judiciary Committee, a committee of which I am a member. To me that would be similar to a judge deciding in favor of the plaintiff or defendant prior to the trial. This nominee, however, will receive her hearing before the Labor and Human Resources Committee, a committee for which I have no direct responsibility, and I do not feel so constrained.

Some have chosen to attack Dr. Elders' character and disparage her accomplishments. If one reviews the facts, however, her record is clear and exemplary. Dr. Elders has always championed children's health and advocated preventive health care and early, aggressive intervention. During her tenure as director of health for the State of Arkansas, the State has almost doubled the number of children receiving immunizations and the number of pregnant women and children receiving food assistance. In addition, she was instrumental in luring a significant number of physicians to rural community health centers so that those areas would no longer be underserved.

And we all know, Mr. President, how difficult rural areas find it to attract qualified physicians to provide for the needs of these people. This was an objective that Dr. Elders sought out and achieved.

As part of her commitment to early preventive health care, she also improved and expanded prenatal care, early childhood screening, HIV prevention, and cancer prevention programs for the citizens of Arkansas. Further, she established a sickle cell screening program and created a division of adolescent and school health within the health department. Prior to becoming the director of health, Dr. Elders established a successful clinical practice and research career in pediatric endocrinology at the University of Arkansas.

Dr. Elders' record of public service is second to none. She is universally admired and respected by her peers as evidenced by endorsements from nearly 150 national organizations including the American Medical Association, the NAACP, and the National Organization for Women. She is a role model of the highest caliber and her accomplishments are irrefutable. Her commitment and dedication to providing the best health services and information possible to the citizens of Arkansas, and hopefully this Nation, should not be overshadowed by fabricated accusations that are misleading and untrue.

I would like to take a few moments to dispel a couple of the rumors and myths that have been floating around regarding the views of Dr. Elders and positions she has taken in the past:

Myth 1: Dr. Elders supports giving condoms and other contraception to teenagers indiscriminately.

Reality: The truth is, Dr. Elders supports comprehensive school based clinics that provide varied services from acute care to job or sports physicals. Clinics only dispense contraceptives if the local school board—and I underscore local school board—approves such activities, and if the student receives parental permission.

Parents and elected officials are the ones making the decisions to dispense contraceptives. That is an important point. While Dr. Elders may believe in appropriate sex education, as many of us do, those with the authority to determine what is available, to whom, and how, are parents and local elected officials.

Myth 2: Dr. Elders believes sex education should start in kindergarten. The reality—the truth is the K-12 program that Dr. Elders supports incorporates lessons on hygiene, substance abuse, self-esteem, and human sexuality. Her emphasis is on comprehensive age-appropriate health education for all students.

Dr. Elders has also been criticized for her so-called pro-abortion views. The rumor that Dr. Elders is out there promoting abortion is just plain untrue. Dr. Elders' message is not about abortion—it is about preventing unwanted pregnancies.

Dr. Elders' views on these subjects are not shocking, and she is not the first person to espouse them. Let me

for a moment offer some statements by a past Surgeon General whose tenure was revered by many: "If sexuality is taught gently and gradually at an early age, it is a part of your life and it doesn't come as such a shock" and "If you want to get rid of abortions, you'd better get rid of the reasons for them. The reasons are unwanted pregnancies, you have to educate people in a way we have never done. * * * That, of course, moves into teaching contraception." The Surgeon General who made those statements was C. Everett Koop, a conservative and a member of the past conservative administration who distinguished himself.

Dr. Koop was widely lauded as making the Office of the Surgeon General one that had real meaning. He was not afraid to speak publicly on controversial issues and he was one of the few Reagan administration officials to be frank and open about AIDS prevention. One of the reasons he was universally admired and respected was because he was honest with the American people and he spoke his mind. Dr. Elders on the other hand, has been slandered for the exact same candor. I believe she deserves the same dignity and respect.

She has been painted as a radical and denounced as unqualified to preserve and protect the health of this Nation's citizens. I believe, however, it is the small minority who are unable to acknowledge her strength and commitment who are the real radicals. They are unable to grasp the necessity of educating our youth about real life. Real life includes AIDS and other sexually transmitted diseases. Real life includes unwanted pregnancies. And, yes, real life sometimes includes children having sex. This is shocking even to me, Mr. President, but I will share the statistic with you. The 1991 Youth Risk Behavior Survey conducted by the Centers for Disease Control, which you know is an internationally recognized medical institution, revealed that 54 percent of our teens in high school have had sex at least once and over 34 percent have had 2 or more partners.

I daresay, the generation of which you and I are part would be stunned by those figures. But that is the reality of what young people face today. And it is that reality that Dr. Elders is trying to address.

Abstinence is an important concept and no one argues that it should not be taught to our children. Abstinence is an absolute, however, and as we can see from the CDC statistics it is difficult to live by absolutes. Therefore, can we as a nation support ignorance in our children to preserve their so-called innocence? The answer can only be no. Sound public health policy demands that our young people also have access to appropriate age-related information regarding sex. Sex education is a public health issue, pure and simple.

The radical minority disagrees with Dr. Elders' commitment to educate our

youth. Since that tactic did not derail her prospects, they have now taken issue and raised another red herring of compensation during her vacation from the University of Arkansas and a previously settled lawsuit. It appears that those allegations are as equally unfounded as the earlier accusations, but they will of course be reviewed thoroughly. The radical minority is seeking to deny her the right to serve her country through false rumor and disparaging innuendo. They are trying to kill her nomination as part of a larger agenda which is to deny President Clinton the opportunity to put together a Cabinet and administration that is based on a commitment to both diversity and excellence. They had their chance to run the country for 12 years. They failed. It is now time for a new more positive and realistic era. A time where Government officials are not afraid to face difficult issues and propose real solutions.

Good health is not a partisan issue. Picking a Surgeon General who can use the bully pulpit of that position as a stage from which to encourage healthy habits is what we need. Joycelyn Elders is that Surgeon General. I wholeheartedly endorse her nomination and encourage the rest of the Members of this body to do so as well.

Mr. President, I yield the floor and suggest the absence of a quorum.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

DR. ELDERS

Mr. BOREN. Mr. President, I just want to compliment my colleague from Illinois on the remarks she has just made. I first became aware of the work of Dr. Elders several years ago, living in a neighboring State. I also had the opportunity to watch a television documentary about her work several years ago, and then later, as a trustee of Yale University, I had an opportunity to further study her record as she was granted an honorary degree by that university.

I appreciate the fact that my colleague has taken time on the Senate floor today to correct the record, or to state the record and state the facts, because there have been many reports that I think have not fairly presented the record, the work, and the philosophy of Dr. Elders.

She is a person who sincerely wants to help young people. If there is any single message that comes through in her career, it is that she is concerned about young people, about their future, and about trying to counsel them and lead them in the right direction and to avoid serious health problems for this country. So I think there are many parts of her career that are to be admired.

We have an obligation, of course, in this body to look into any allegations

that have been raised. I am sure we will do that. I am sure we will do that with thoroughness. But at the same time, we should always bear in mind we are here dealing with the record and reputation of an individual American who has made remarkable and positive contributions in her own State and who desires to render that kind of service to the Nation.

So I think another part of Dr. Elders' record that is very clear is her commitment to local control of education. In her position in Arkansas, she never attempted to force something down the throats of local school districts. She has always been very sensitive to the values and to the views of those at the local level. And she has also understood that there may need to be varying approaches in varying areas. What works in one school district may not work in another, as you deal with people with different experiences, different backgrounds, different income levels, and different attitudes.

So I appreciate the fact that my colleague from Illinois has taken the floor to, I think, state the record very, very well on behalf of Dr. Elders. I hope all of our colleagues will take the time to read and to study seriously about this outstanding American before jumping to any conclusions about her. I think when they take that time, they will find many parts of her record to admire and to respect.

Mr. KENNEDY. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Massachusetts.

DR. ELDERS

Mr. KENNEDY. Mr. President, I, too, want to congratulate the Senator from Illinois for making a very eloquent supportive statement about Dr. Elders. Our Human Resources Committee is intending to have a hearing on her nomination on Friday and we will have an opportunity to listen to a very eloquent voice that is a plain-spoken voice, and really speaks truth to power.

Perhaps there are people in this country who feel that it is not advantageous to have someone who is frank and truthful and who is willing to speak about the realities that exist in many of our inner cities and rural communities, and the state of our public health, whether it is on the issues of teenage pregnancies or immunizations or childhood diseases or low-birth-weight babies, or a wide range of different public health issues and questions.

I am enormously impressed by a number of factors about Dr. Elders, not the least of which is that she is really a Horatio Alger story. Rarely during the times of her early years or into her teens, did she begin her education until mid-November, until after the crops

were in. When she was a young girl, she worked out in the fields all day long for her family's farm. And then, even as a teenager, she did the same. And after all the crops were in, in early November or mid-November, then she would go to school.

We have heard the stories about how she read in the night under the sheets and the blankets because her parents wanted her to get a good night's sleep. She was the second black woman to graduate from the Arkansas Medical School and the first black woman to serve as chief resident of pediatrics at the hospital of the University of Arkansas. She toiled hours in the cafeteria and at other odd jobs in order to be able to receive an education. In spite of all of these kinds of distractions, she made an extraordinary academic record and achievement. She never lost touch with where she came from and she was able to inspire people and I think become one of the great teachers, and thinkers about the problems of public health, in particular, as they relate to children.

I just underline what Senator BOREN has mentioned about local control. I have read a good deal in many of the newspapers about her positions related to some of the thorniest, hot-button political questions that are before the country today. I think when we have a real opportunity to listen to her talk about how she is strongly committed in terms of local control, the development of school-based clinics, which just about every public health official would say was a great need. Under the leadership of Governor Clinton and Dr. Elders in Arkansas, I believe there are now 24 communities with school-based clinics and there are another 22 communities on the waiting list wanting those school-based clinics, in each instance leaving it up to the local school boards as to whether they are going to have the clinic, and if so, whether they will have health education or sex education. Any school board that does not want it, they do not get it. If they do, they do permit it, and the curriculum is decided by the Arkansas Legislature, not known as being a flaming leftist kind of organization. They ensure that any parent who does not want an individual child to participate will be excluded from such program.

There is enormous sensitivity on this. Mr. President, I am not going to take the time of the Senate on Dr. Joycelyn Elders this afternoon. I want to say I commend the Senator for bringing the subject of her nomination before the Senate today. As a matter of comity, Senator KASSEBAUM and I had jointly agreed to delay from last week to this Friday the hearing so there could be a full response on some of the issues that were raised. I am sure the responses are going to be satisfactory to the members of the committee.

I commend the Senator from Illinois.

I thank the Senate for being able to address this issue because I do think it is important.

Ms. MOSELEY-BRAUN. Mr. President, I thank the Senator from Oklahoma and the Senator from Massachusetts for their kind words.

I yield the floor.

Mr. MITCHELL addressed the Chair. The PRESIDING OFFICER. The majority leader.

HATCH ACT REFORM AMENDMENTS

Mr. MITCHELL. Mr. President, I think it is important for all Senators to understand what has occurred here today with respect to the bill upon which the Senate has completed action.

We have had Republican filibusters this year on an effort to begin consideration of a bill. We have had Republican filibusters on efforts to complete consideration of a bill. But this is the first time this year we have had a filibuster threatened on the naming of conferees after a bill has been passed by the Senate.

There is no doubt that the rules of the Senate permit a single Senator, or a group of Senators, even though a minority, to delay and obstruct, to prevent action, to take a lot longer to do things than would otherwise be the case. It is also true that measures can be undertaken to overcome such obstruction and delay.

But every Senator should understand that if that is necessary, it means a drastic change in the Senate schedule. I have attempted, since becoming majority leader, to construct the schedule in a way that accommodates the travel and other schedules of Senators, but that, obviously, requires accommodation. If we are now going to be confronted with a filibuster on a motion to name conferees after a bill has been passed and passed, I might add, with the votes of 68 Senators, then it is obvious that I, and every Senator, will have to reconsider how we proceed when we are in session and the circumstances under which the operations of the Senate will be conducted.

Senate rules do permit any Senator to delay and obstruct. That there can be no doubt, Senate rules also permit the majority leader to take action to overcome such delay and such obstruction. That is almost invariably extremely inconvenient for all Senators, but I simply want to state that I will have no hesitation about taking such action if it is necessary.

We have just had a bill that has been on the floor for several days. We had an overwhelming vote to pass it. Sixty-eight Senators voted to pass it, and now what is as routine a request as there can be in the Senate, simply to name Senators to meet with House Colleagues to work on a conference on the

bill, we have a filibuster, or a threat of a filibuster, that prevents us from taking action unless we now drop everything else, file a motion to end the filibuster and spend a few more days on a bill which we have already debated and discussed at length and just voted for by an overwhelming margin.

I am certain that any American watching this who may be unfamiliar with the Senate rules—it confirms their impression of gridlock and what is wrong in the Senate and in the Congress and in the Government that we cannot take even the most routine and simple actions without encountering this type of delay and obstruction.

I regret that. It is made possible by the Senate rules which are intended to achieve a certain result, but not, I believe, this one.

So we have no choice now but not to proceed to the naming of the conferees. When the matter comes back from the House, if it is going to be necessary to file a motion to end a filibuster, I just want to say to Senators, when that happens, if it happens, then we are going to be in for a substantial period of time, including weekends, possibly the recess if this is what we have to do. I have already altered the Senate's schedule significantly this year because of the increasing delays and obstruction that have been presented, and we will simply have to take this further action into consideration as we decide how best to proceed in the coming days and weeks.

So, Mr. President, I think this is a most significant action which has occurred today, a most regrettable action, and I simply want to note for Senators that if there are going to be additional changes forthcoming in the schedule, they understand why it has become necessary.

The PRESIDING OFFICER. Pursuant to the previous order, consideration of S. 185 is indefinitely postponed.

NATIONAL AND COMMUNITY SERVICE TRUST ACT OF 1993

The PRESIDING OFFICER. Under the previous order, the clerk will report Senate bill 919.

The assistant legislative clerk read as follows:

A bill (S. 919) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "National and Community Service Trust Act of 1993".

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purpose.

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

Sec. 101. Federal investment in support of national service.

Sec. 102. National Service Trust and provision of national service educational awards.

Sec. 103. School-based and community-based service-learning programs.

Sec. 104. Quality and innovation activities.

Subtitle B—Related Provisions

Sec. 111. Definitions.

Sec. 112. Authority to make State grants.

Sec. 113. Family and medical leave.

Sec. 114. Reports.

Sec. 115. Nondiscrimination.

Sec. 116. Notice, hearing, and grievance procedures.

Sec. 117. Nondisplacement.

Sec. 118. Evaluation.

Sec. 119. Engagement of participants.

Sec. 120. Contingent extension.

Sec. 121. Audits.

Sec. 122. Repeals.

TITLE II—ORGANIZATION

Sec. 201. State Commissions on National and Community Service.

Sec. 202. Interim authorities of the Corporation for National and Community Service and ACTION Agency.

Sec. 203. Final authorities of the Corporation for National and Community Service.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

Sec. 301. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1973

Sec. 311. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

Sec. 321. Purpose of the VISTA program.

Sec. 322. Selection and assignment of VISTA volunteers.

Sec. 323. Terms and periods of service.

Sec. 324. Support for VISTA volunteers.

Sec. 325. Participation of younger and older persons.

Sec. 326. Literacy activities.

Sec. 327. Applications for assistance.

Sec. 328. Repeal of authority for student community service programs.

Sec. 329. University year for VISTA.

Sec. 330. Authority to establish and operate special volunteer and demonstration programs.

Sec. 331. Technical and financial assistance.

Sec. 332. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

Sec. 341. National Senior Volunteer Corps.

Sec. 342. The Retired and Senior Volunteer Program.

Sec. 343. Operation of the Retired and Senior Volunteer Program.

Sec. 344. Services under the Foster Grandparent Program.

Sec. 345. Stipends for low-income volunteers.

Sec. 346. Participation of non-low-income persons under parts B and C.

Sec. 347. Conditions of grants and contracts.

Sec. 348. Evaluation of the Senior Companion Program.

Sec. 349. Agreements with other Federal agencies.

Sec. 350. Programs of national significance.

Sec. 351. Adjustments to Federal financial assistance.

Sec. 352. Demonstration programs.

CHAPTER 3—ADMINISTRATION

Sec. 361. Purpose of agency.

Sec. 362. Authority of the Director.

Sec. 363. Compensation for volunteers.

Sec. 364. Repeal of report.

Sec. 365. Application of Federal law.

Sec. 366. Evaluation of programs.

Sec. 367. Nondiscrimination provisions.

Sec. 368. Elimination of separate requirements for setting regulations.

Sec. 369. Clarification of role of Inspector General.

Sec. 370. Copyright protection.

Sec. 371. Center for research and training.

Sec. 372. Deposit requirement credit for service as a volunteer.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

Sec. 381. Authorization of appropriations for title I.

Sec. 382. Authorization of appropriations for title II.

Sec. 383. Authorization of appropriations for title IV.

Sec. 384. Conforming amendments; compensation for VISTA FECA claimants.

Sec. 385. Repeal of authority.

CHAPTER 5—GENERAL PROVISIONS

Sec. 391. Technical and conforming amendments.

Sec. 392. Effective date.

Subtitle C—Youth Conservation Corps Act of 1970

Sec. 399. Public Lands Corps.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

Sec. 401. Definition of Director.

Sec. 402. References to ACTION and the ACTION Agency.

Sec. 403. Definitions.

Sec. 404. References to the Commission on National and Community Service.

Sec. 405. References to Directors of the Commission on National and Community Service.

Sec. 406. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) *IN GENERAL.*—Section 2 of the National and Community Service Act of 1990 (42 U.S.C. 12501) is amended to read as follows:

"SEC. 2. FINDINGS AND PURPOSE.

"(a) *FINDINGS.*—The Congress finds the following:

"(1) Throughout the United States, there are pressing unmet human, educational, environmental, and public safety needs.

"(2) Americans desire to affirm common responsibilities and shared values, and join together in positive experiences, that transcend race, religion, gender, age, disability, region, income, and education.

"(3) The rising costs of postsecondary education are putting higher education out of reach for an increasing number of citizens.

"(4) Americans of all ages can improve their communities and become better citizens through service to the United States.

"(5) Nonprofit organizations, local governments, States, and the Federal Government are already supporting a wide variety of national service programs that deliver needed services in a cost-effective manner.

"(6) Residents of low-income communities, especially youth and young adults, can be empowered through their service, and can help provide future community leadership.

"(b) PURPOSES.—It is the purpose of this Act to—

"(1) meet the unmet human, educational, environmental, and public safety needs of the United States, without displacing existing workers;

"(2) renew the ethic of civic responsibility and the spirit of community throughout the United States;

"(3) expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training;

"(4) encourage citizens of the United States, regardless of race, religion, gender, age, disability, region, income, or education, to engage in full-time or part-time national service;

"(5) reinvent government to eliminate duplication in national service programs, support locally established service initiatives, encourage private sector investment and involvement in national service programs, and require measurable goals for performance in such programs and offer flexibility in meeting those goals;

"(6) empower residents of low-income communities, especially youth and young adults, through their service, and help provide future community leadership;

"(7) build on the existing organizational service infrastructure of Federal, State, and local programs and agencies to expand full-time and part-time service opportunities for all citizens;

"(8) provide tangible benefits to the communities in which national service is performed;

"(9) build ties among Americans that transcend race, religion, gender, age, disability, region, income, and education;

"(10) encourage educational reform by introducing service-learning into curricula in elementary schools, secondary schools, and institutions of higher education; and

"(11) enable service participants to gain personal, academic, and occupational skills through service-learning experiences."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 2 and inserting the following new item:

"Sec. 2. Findings and purpose."

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

SEC. 101. FEDERAL INVESTMENT IN SUPPORT OF NATIONAL SERVICE.

(a) ASSISTANCE PROGRAM AUTHORIZED.—Subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12541 et seq.) is amended to read as follows:

"Subtitle C—National Service Trust Program "PART I—INVESTMENT IN NATIONAL SERVICE

"SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) PROVISION OF ASSISTANCE.—The Corporation for National and Community Service may make grants to States, subdivisions of States, Indian tribes, public and private not-for-profit organizations (including labor organizations and community action agencies), and institutions of higher education for the purpose of assisting the recipients of the grants by paying for the Federal share of—

"(1) carrying out full- or part-time national service programs, including summer programs, described in section 122(a); and

"(2) making grants in support of other national service programs described in section 122(a) that are carried out by other entities.

"(b) AGREEMENTS WITH FEDERAL AGENCIES.—

"(1) IN GENERAL.—The Corporation may enter into a contract or cooperative agreement with

another Federal agency to support a national service program carried out by the agency. The support provided by the Corporation pursuant to the contract or cooperative agreement may include the transfer to the Federal agency of funds available to the Corporation under this subtitle.

"(2) NONDUPLICATION.—A Federal agency that enters into a contract or cooperative agreement under paragraph (1) to support a national service program within a State—

"(A) shall consult with the State Commission serving the State to avoid duplication with any service program that is in existence in the State as of the date of the contract or cooperative agreement; and

"(B) shall, in an appropriate case, enter into a contract or cooperative agreement with an entity that is carrying out a service program described in subparagraph (A) that is of high quality, in order to support the national service program.

"(3) APPLICATION OF REQUIREMENTS.—A Federal agency receiving assistance under this subsection shall comply with the Federal share requirements of section 129(d)(2)(B). The supplementation requirements specified in section 173 shall apply with respect to the Federal national service programs supported with such assistance.

"(c) PROVISION OF APPROVED NATIONAL SERVICE POSITIONS.—As part of the provision of assistance under subsections (a) and (b), the Corporation shall—

"(1) approve the provision of national service educational awards described in subtitle D for the participants who serve in national service programs carried out using such assistance; and

"(2) deposit in the National Service Trust established in section 145(a) an amount equal to the product of—

"(A) the value of a national service educational award under section 147; and

"(B) the total number of approved national service positions to be provided.

"(d) FIVE PERCENT LIMITATION ON ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to the original recipient of a grant or transfer of assistance under subsection (a) or (b) for a fiscal year may be used to pay for administrative costs (including indirect costs) incurred by—

"(A) the recipient of the assistance; and

"(B) national service programs carried out or supported with the assistance.

"(2) RULES ON USE.—The Corporation may by rule prescribe the manner and extent to which—

"(A) assistance provided under subsection (a) or (b) may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient of the grant or transfer of assistance under such subsection; and

"(ii) national service programs carried out or supported with the assistance.

"(e) MATCHING FUNDS REQUIREMENTS.—

"(1) REQUIREMENTS.—Except as provided in sections 129(d)(2)(B) and 140, the Federal share of the cost of carrying out a national service program that receives the assistance under subsection (a), whether the assistance is provided directly or as a subgrant from the original recipient of the assistance, may not exceed 75 percent of such cost.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out a national service program, the program—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service laws).

"(3) WAIVER.—The Corporation may waive in whole or in part the requirements of paragraph (1) with respect to a national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGIBLE FOR PROGRAM ASSISTANCE.

"(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—The recipient of a grant under section 121(a) and each Federal agency receiving assistance under section 121(b) shall use the assistance, directly or through subgrants to other entities, to carry out full- or part-time national service programs, including summer programs, that address unmet human, educational, environmental, or public safety needs. Subject to subsection (b)(1), these national service programs may include the following types of national service programs:

"(1) A community corps program that meets unmet human, educational, environmental, or public safety needs and promotes greater community unity through the use of organized teams of participants of varied social and economic backgrounds, skill levels, capabilities, ages, ethnic backgrounds, or genders.

"(2) A full-time youth corps program, carried out during the summer or throughout the full calendar year, such as a conservation corps or youth service corps (including a conservation corps or youth service corps that performs service on Federal or other public lands or on Indian lands), that—

"(A) undertakes meaningful service projects with visible benefits to a community, including natural resource, urban renovation, rural development, or human services projects;

"(B) includes as participants youths and young adults between the ages of 16 and 25, inclusive, including out-of-school youths, other economically disadvantaged youths, and individuals with disabilities, who are between those ages; and

"(C) provides those participants who are youths and young adults with—

"(i) crew-based, highly structured, and adult-supervised work experience, life skills, education, career guidance and counseling, employment training, and support services; and

"(ii) the opportunity to develop citizenship values and skills through service to their community and the United States.

"(3) A program that provides specialized training to individuals in service-learning and places the individuals after such training in positions, including positions as service-learning coordinators, to facilitate service-learning in programs eligible for funding under part I subtitle B.

"(4) A service program that is targeted at specific unmet human, educational, environmental, or public safety needs and that—

"(A) recruits individuals with special skills or provides specialized preservice training to enable participants to be placed individually or in teams in positions in which the participants can meet such unmet needs; and

"(B) brings participants together for additional training and other activities designed to foster civic responsibility, increase the skills of participants, and improve the quality of the service provided.

"(5) An individualized placement program that includes regular group activities, such as leadership training and special service projects.

"(6) A campus-based program that is designed to provide substantial service in a community

during the school term and during summer or other vacation periods through the use of—

"(A) students who are attending an institution of higher education, including students participating in a work-study program assisted under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.);

"(B) teams composed of such students; or

"(C) teams composed of a combination of such students and community residents.

"(7) A preprofessional training program in which students enrolled in an institution of higher education—

"(A) receive training in specified fields, which may include classes containing service-learning;

"(B) perform service related to such training outside the classroom during the school term and during summer or other vacation periods; and

"(C) agree to provide service upon graduation to meet unmet human, educational, environmental, or public safety needs related to such training.

"(8) A professional corps program that recruits and places qualified participants in positions—

"(A) as teachers, nurses and other health care providers, police officers, early childhood development staff, or other professionals providing service to meet educational, human, environmental, or public safety needs in communities with an inadequate number of such professionals;

"(B) that may include a salary in excess of the maximum living allowance authorized in subsection (a)(3) of section 140, as provided in subsection (c) of such section; and

"(C) that are sponsored by public or private not-for-profit employers who agree to pay 100 percent of the salaries and benefits (other than any national service educational award under subtitle D) of the participants.

"(9) A program in which economically disadvantaged individuals who are between the ages of 16 and 24 years of age, inclusive, are provided with opportunities to perform service that, while enabling such individuals to obtain the education and employment skills necessary to achieve economic self-sufficiency, will help their communities meet—

"(A) the housing needs of low-income families and the homeless; and

"(B) the need for community facilities in low-income areas.

"(10) A national service entrepreneur program that identifies, recruits, and trains gifted young adults of all backgrounds and assists such adults in designing solutions to community problems.

"(11) An intergenerational program that combines students, out-of-school youths, and older adults as participants to provide needed community services, including an intergenerational component of a national service program described in any of paragraphs (1) through (10), or in paragraph (12) or (13).

"(12) A program, to be known as a 'Communities in Action program', carried out by not-for-profit organizations, including community action agencies or combinations of such agencies, to provide opportunities for individuals or teams of individuals to engage in local community projects that meet important unaddressed community and individual needs in low-income areas served by such a not-for-profit organization, including service projects to meet the unaddressed needs of economically disadvantaged youth age 18 and younger (including providing safe locations for after-school programs that provide opportunities for learning and recreation).

"(13) Such other national service programs addressing unmet human, educational, environmental, or public safety needs as the Corporation may designate.

"(b) QUALIFICATION CRITERIA TO DETERMINE ELIGIBILITY.—

"(1) ESTABLISHMENT BY CORPORATION.—The Corporation shall establish qualification criteria for different types of national service programs for the purpose of determining whether a particular national service program should be considered to be a national service program eligible to receive assistance or approved national service positions under this subtitle.

"(2) CONSULTATION.—In establishing qualification criteria under paragraph (1), the Corporation shall consult with organizations and individuals that have extensive experience in developing and administering effective national service programs.

"(3) APPLICATION TO SUBGRANTS.—The qualification criteria established by the Corporation under paragraph (1) shall also be used by each recipient of assistance under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs.

"(4) ENCOURAGEMENT OF INTERGENERATIONAL COMPONENTS OF PROGRAMS.—The Corporation shall encourage national service programs eligible to receive assistance or approved national service positions under this subtitle to establish, if consistent with the purposes of the program, an intergenerational component of the program that combines students, out-of-school youths, and older adults as participants to provide services to address unmet human, education, environmental, or public safety needs.

"(c) NATIONAL SERVICE PRIORITIES.—

"(1) ESTABLISHMENT BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to achieve the other purposes of this Act, the Corporation, after consultation with the State Commissions, may establish, and periodically alter, priorities regarding the types of national service programs to be assisted under section 121 and the purposes for which such assistance may be used.

"(2) NOTICE TO APPLICANTS.—

"(A) IN GENERAL.—The Corporation shall provide to potential applicants advance notice of any national service priorities to be in effect under this subsection for a fiscal year.

"(B) CONTENTS.—The notice shall specifically include—

"(i) a description of any alteration made in the priorities since the previous notice; and

"(ii) a description of the national service programs that are designated by the Corporation under section 133(d)(2) as eligible for priority consideration in the next competitive distribution of assistance under section 121(a).

"(C) REGULATIONS.—The Corporation shall by regulation establish procedures to ensure the equitable treatment of national service programs that—

"(i) receive funding under this subtitle for multiple years; and

"(ii) would be adversely affected by annual revisions in such national service priorities.

"(3) APPLICATION TO SUBGRANTS.—Any recipient of funds under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs shall, in conducting such a grant program, make reasonable efforts to use any national service priorities established by the Corporation under this subsection.

"SEC. 123. TYPES OF NATIONAL SERVICE POSITIONS ELIGIBLE FOR APPROVAL FOR NATIONAL SERVICE EDUCATIONAL AWARDS.

"The Corporation may approve of any of the following service positions as an approved national service position that includes the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position:

"(1) A position for a participant in a national service program described in section 122(a) that receives assistance under subsection (a) or (b) of section 121.

"(2) A position for a participant in a program that—

"(A) is carried out by a State, a subdivision of a State, an Indian tribe, a public or private not-for-profit organization (including a community action agency), an institution of higher education, or a Federal agency; and

"(B) would be eligible to receive assistance under section 121(a), based on criteria established by the Corporation, but has not applied for such assistance.

"(3) A position involving service as a VISTA volunteer under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.).

"(4) A position facilitating service-learning in a program described in section 122(a)(3) that is eligible for assistance under part I of subtitle B.

"(5) A position for a participant in the Civilian Community Corps under subtitle E.

"(6) A position involving service as a crew leader in a youth corps program or a similar position supporting a national service program that receives an approved national service position.

"(7) Such other national service positions as the Corporation considers to be appropriate.

"SEC. 124. TYPES OF PROGRAM ASSISTANCE.

"(a) PLANNING ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the planning of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 1 year.

"(b) OPERATIONAL ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the establishment, operation, or expansion of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(c) REPLICATION ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the expansion of a proven national service program to another geographical location. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(d) APPLICATION TO SUBGRANTS.—The requirements of this section shall apply to any State or other applicant receiving assistance under section 121 that proposes to conduct a grant program using the assistance to support other national service programs.

"SEC. 125. TRAINING AND TECHNICAL ASSISTANCE.

"(a) TRAINING PROGRAMS.—The Corporation may conduct, directly or by grant or contract, appropriate training programs regarding national service in order to—

"(1) improve the ability of national service programs assisted under section 121 to meet human, educational, environmental, or public safety needs in communities—

"(A) where services are needed most; and

"(B) where programs do not exist, or are too limited to meet community needs, as of the date on which the Corporation makes the grant or enters into the contract;

"(2) promote leadership development in such programs;

"(3) improve the instructional and programmatic quality of such programs to build an ethic of civic responsibility;

"(4) develop the management and budgetary skills of program operators; and

"(5) provide for or improve the training provided to the participants in such programs.

"(b) TECHNICAL ASSISTANCE.—The Corporation shall, where necessary, make appropriate technical assistance available to States, Indian tribes, labor organizations, organizations operated by young adults, organizations serving economically disadvantaged individuals, and other entities described in section 121 that desire—

"(1) to develop national service programs; or

"(2) to apply for assistance under such section or under a grant program conducted using assistance provided under such section.

"SEC. 126. OTHER SPECIAL ASSISTANCE.

"(a) SUPPORT FOR STATE COMMISSIONS.—

"(1) ASSISTANCE AUTHORIZED.—The Corporation may make assistance available to assist a State to establish or operate the State Commission on National and Community Service required to be established by the State under section 178.

"(2) AMOUNT OF ASSISTANCE.—The amount of assistance that may be provided to a State Commission under this subsection, together with other Federal funds available to establish or operate the State Commission, may not exceed—

"(A) 85 percent of the total cost to establish or operate the State Commission for the first year for which the State Commission receives assistance under this subsection; and

"(B) such smaller percentage of such cost as the Corporation may establish for the second, third, and fourth years of such assistance in order to ensure that the Federal share does not exceed 50 percent of such costs for the fifth year, and any subsequent year, for which the State Commission receives assistance under this subsection.

"(b) DISASTER SERVICE.—The Corporation may undertake activities, including activities carried out through part A of title I of the Domestic Volunteer Service Act of 1973, to involve in disaster relief efforts youth corps programs described in section 122(a)(2) and other programs that receive assistance under the national service laws.

"(c) CHALLENGE GRANTS FOR NATIONAL SERVICE PROGRAMS.—

"(1) ASSISTANCE AUTHORIZED.—

"(A) IN GENERAL.—The Corporation may make challenge grants under this subsection to national service programs that receive assistance under section 121.

"(B) CRITERIA.—The Corporation shall develop criteria for the selection of recipients of such challenge grants, so as to make the grants widely available to a variety of programs that—

"(i) are high-quality national service programs; and

"(ii) are carried out by entities with demonstrated experience in establishing and implementing projects that provide benefits to participants and communities.

"(2) AMOUNT OF ASSISTANCE.—A challenge grant under this subsection may provide not more than \$1 of assistance under this subsection for each \$1 in cash raised by the national service program from private sources in excess of amounts required to be provided by the program to satisfy matching funds requirements under section 121(e). The Corporation shall establish a ceiling on the amount of assistance that may be provided to a national service program under this subsection.

"PART II—APPLICATION AND APPROVAL PROCESS

"SEC. 129. PROVISION OF ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS BY COMPETITIVE AND OTHER MEANS.

"(a) ALLOTMENTS OF ASSISTANCE AND APPROVED POSITIONS TO STATES AND INDIAN TRIBES.—

"(1) 33 $\frac{1}{3}$ PERCENT ALLOTMENT OF ASSISTANCE.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall make a grant under section 121(a) (and a corresponding allotment of approved national service positions) to each of the several States (through the State Commission of the State), the District of Columbia, and the Commonwealth of Puerto Rico that has an application approved by the Corporation under section 133. The amount allotted as a grant to each such State under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 33 $\frac{1}{3}$ percent of the allocated funds for that fiscal year as the population of the State bears to the total population of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(2) ONE PERCENT ALLOTMENT OF ASSISTANCE.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to Indian tribes, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted by the Corporation on a competitive basis in accordance with their respective needs. Palau shall also be eligible for a grant under this paragraph from the 1 percent allotment until such time as the Compact of Free Association with Palau is ratified.

"(3) EFFECT OF FAILURE TO APPLY.—If a State or Indian tribe fails to apply for, or fails to give notice to the Corporation of its intent to apply for, an allotment under this subsection, the Corporation shall use the amount that would have been allotted under this subsection to the State or Indian tribe—

"(A) to make grants (and provide approved national service positions in connection with such grants) to other eligible entities under section 121 that propose to carry out national service programs in the State or on behalf of the Indian tribe; and

"(B) after making grants under paragraph (1), to make a reallocation to other States and Indian tribes with approved applications under section 130.

"(b) RESERVATION OF APPROVED POSITIONS.—

"(1) NUMBER RESERVED.—Except as provided in paragraph (2), the Corporation shall ensure that each individual selected during a fiscal year for assignment as a VISTA volunteer under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or as a participant in the Civilian Community Corps Demonstration Program under subtitle E shall receive the national service educational award described in subtitle D if the individual satisfies the eligibility requirements for the award. Funds for approved national service positions required by this paragraph for a fiscal year shall be deducted from the total funding for approved national service positions to be available for distribution under subsections (a) and (d) for that fiscal year.

"(2) TRANSITION.—The Corporation shall determine an equitable procedure for providing post-service educational awards to individuals who are selected for assignment as described in paragraph (1) after the date of enactment of this subtitle and before the effective date of section 203(c)(2) of the National and Community Service Trust Act of 1993.

"(c) RESERVATION FOR SPECIAL ASSISTANCE.—Subject to section 501(a)(1), of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation may reserve such amount as the Corporation considers to be appropriate for the purpose of making assist-

ance available under sections 125 and 126. The Corporation may not reserve more than \$10,000,000 for a fiscal year for challenge grants under section 126(c).

"(d) COMPETITIVE DISTRIBUTION OF REMAINING FUNDS AND APPROVED POSITIONS.—

"(1) STATE COMPETITION.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall use not less than 33 $\frac{1}{3}$ percent of the allocated funds to make grants to States (through the State Commissions) on a competitive basis under section 121(a).

"(2) FEDERAL AGENCIES AND OTHER APPLICANTS.—

"(A) IN GENERAL.—The Corporation shall distribute on a competitive basis to subdivisions of States (through the State Commissions), Indian tribes, public and private not-for-profit organizations (including labor organizations and community action agencies), institutions of higher education, and Federal agencies the remainder of the funds allocated by the Corporation for provision of assistance under section 121 for a fiscal year, after operation of paragraph (1) and subsections (a) and (c).

"(B) FEDERAL SHARE.—Notwithstanding section 121(e), if a Federal agency proposes to carry out a national service program using funds made available under subparagraph (A), and the Federal agency is authorized to use funds made available under Federal law (other than the national service laws) to carry out such a program, the Federal share attributable to this paragraph of the cost of carrying out the national service program shall be 50 percent of such cost. The President may by regulation specify the sources that may be used by the Federal agency to provide for the remaining share of such cost.

"(C) FEDERAL AGENCIES.—The Corporation may not distribute more than 30 percent of such remainder to Federal agencies for a fiscal year under subparagraph (A).

"(D) LIMITATIONS.—The Corporation may limit the categories of eligible applicants for assistance under this paragraph consistent with the priorities established by the Corporation under section 133(d)(2).

"(3) PRIORITY.—In distributing the funds allocated by the Corporation for provision of assistance under section 121 for a fiscal year, after operation of subsections (a) and (c) and after using 33 $\frac{1}{3}$ percent of such funds to make grants under paragraph (1), in determining whether to—

"(A) use an additional portion of the funds to make a grant under paragraph (1) to a State applicant; or

"(B) distribute the portion of the funds to an applicant that is a private not-for-profit organization under paragraph (2),

the Corporation shall give preference to the private not-for-profit organization in any case in which the Corporation determines that the applicants have submitted applications of equal quality under section 130.

"(e) APPLICATION REQUIRED.—The allotment of assistance and approved national service positions to a State or Indian tribe under subsection (a), and the competitive distribution of assistance and approved national service positions under subsection (d), shall be made by the Corporation only pursuant to an application submitted by a State or other applicant under section 130 and approved by the Corporation under section 133.

"(f) DISTRIBUTION OF APPROVED POSITIONS SUBJECT TO AVAILABLE FUNDS.—The Corporation may not distribute approved national service positions under this section for a fiscal year in excess of the number of such positions for which the Corporation has sufficient available

funds in the National Service Trust for that fiscal year to satisfy the maximum possible obligations to be incurred by the United States to provide the national service educational award corresponding to service in these positions.

"(g) SPONSORSHIP OF APPROVED NATIONAL SERVICE POSITIONS.—

"(1) SPONSORSHIP AUTHORIZED.—The Corporation may enter into agreements with persons or entities who offer to sponsor national service positions for which the person or entity will be responsible for supplying the funds necessary to provide a national service educational award. The distribution of these approved national service positions shall be made pursuant to the agreement, and the creation of these positions shall not be taken into consideration in determining the number of approved national service positions to be available for distribution under this section.

"(2) DEPOSIT OF CONTRIBUTION.—Funds provided pursuant to an agreement under paragraph (1) and any other funds contributed to the Corporation to support the activities of the Corporation under the national service laws shall be deposited in the National Service Trust established in section 145 until such time as the funds are needed.

"SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) TIME, MANNER, AND CONTENT OF APPLICATION.—To be eligible to receive assistance under section 121 and approved national service positions for participants who serve in the national service programs to be carried out using the assistance, a State, subdivision of a State, Indian tribe, public or private not-for-profit organization (including a community action agency), institution of higher education, or Federal agency shall prepare and submit to the Corporation an application at such time, in such manner, and containing such information as the Corporation may reasonably require.

"(b) TYPES OF APPLICATION INFORMATION.—In order to have adequate information upon which to consider an application under section 133, the Corporation may require the following information to be provided in an application submitted under subsection (a):

"(1) A description of the national service programs proposed to be carried out directly by the applicant using assistance provided under section 121.

"(2) A description of the national service programs that are selected by the applicant to receive a grant from assistance requested under section 121 and a description of the process and criteria by which the programs were selected.

"(3) A description of other funding sources to be used, or sought to be used, for the national service programs referred to in paragraphs (1) and (2), and, if the application is submitted for the purpose of seeking a renewal of assistance, a description of the success of the programs in reducing their reliance on Federal funds.

"(4) A description of the extent to which the projects to be conducted using the assistance will address unmet human, educational, environmental, or public safety needs and produce a direct benefit for the community in which the projects are performed.

"(5) A description of the plan to be used to recruit participants, including economically disadvantaged youth, for the national service programs referred to in paragraphs (1) and (2).

"(6) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) build on existing programs, including Federal programs.

"(7) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) will involve participants—

"(A) in projects that build an ethic of civic responsibility and produce a positive change in

the lives of participants through training and participation in meaningful service experiences and opportunities for reflection on such experiences; and

"(B) in leadership positions in implementing and evaluating the program.

"(8) Measurable goals for the national service programs referred to in paragraphs (1) and (2), and a strategy to achieve such goals, in terms of—

"(A) the impact to be made in meeting unmet human, educational, environmental, or public safety needs; and

"(B) the service experience to be provided to participants in the programs.

"(9) A description of the manner and extent to which the national service programs referred to in paragraphs (1) and (2) conform to the national service priorities established by the Corporation under section 122(c).

"(10) A description of the past experience of the applicant in operating a comparable program or in conducting a grant program in support of other comparable programs.

"(11) A description of the type and number of proposed service positions in which participants will receive the national service educational award described in subtitle D and a description of the manner in which approved national service positions will be apportioned to the applicant.

"(12) A description of the manner and extent to which participants, representatives of the community served, community-based agencies with a demonstrated record of experience in providing services, and labor organizations contributed to the development of the national service programs referred to in paragraphs (1) and (2), including the identity of the individual representing the labor organization who was consulted and the nature of the consultation.

"(13) A description of a plan to be used to encourage women to participate in programs referred to in paragraphs (1) and (2).

"(14) Such other information as the Corporation may reasonably require.

"(c) APPLICATION TO RECEIVE ONLY APPROVED NATIONAL SERVICE POSITIONS.—

"(1) APPLICABILITY OF SUBSECTION.—This subsection shall apply in the case of an application in which—

"(A) the applicant is not seeking assistance under subsection (a) or (b) of section 121, but requests national service educational awards for individuals serving in service positions described in section 123; or

"(B) the applicant requests national service educational awards for service positions described in section 123, but the positions are not positions in a national service program described in section 122(a) for which assistance may be provided under subsection (a) or (b) of section 121.

"(2) SPECIAL APPLICATION REQUIREMENTS.—For the applications described in paragraph (1), the Corporation shall establish special application requirements in order to determine—

"(A) whether the service positions meet unmet human, educational, environmental, or public safety needs and meet the criteria for assistance under this subtitle; and

"(B) whether the Corporation should approve the positions as approved national service positions that include the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position.

"(d) SPECIAL RULE FOR STATE APPLICANTS.—

"(1) SUBMISSION BY STATE COMMISSION.—The application of a State for approved national service positions or for a grant under section 121(a) shall be submitted by the State Commission.

"(2) COMPETITIVE SELECTION.—The application of a State shall contain an assurance that

all assistance provided under section 121(a) to the State will be used to support national service programs that were selected by the State on a competitive basis.

"(3) ASSISTANCE TO NONSTATE ENTITIES.—The application of a State shall also contain an assurance that not less than 60 percent of the assistance will be used to make grants in support of national service programs other than national service programs carried out by a State agency. The Corporation may permit a State to deviate from the percentage specified by this subsection if the State has not received a sufficient number of acceptable applications to comply with the percentage.

"(e) SPECIAL RULE FOR CERTAIN SERVICE SPONSORS.—In the case of a program applicant that proposes to serve as the service sponsor, the application shall include the written concurrence of any local labor organization representing employees of the applicant who are engaged in the same or substantially similar work as that proposed to be carried out.

"(f) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—No applicant shall submit an application under this section, and the Corporation shall reject an application that is submitted under this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

"SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE REQUIREMENTS.

"(a) IMPACT ON COMMUNITIES.—An application submitted under section 130 shall include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) address unmet human, educational, environmental, or public safety needs through services that provide a direct benefit to the community in which the service is performed; and

"(2) comply with the nonduplication and non-displacement requirements of section 177.

"(b) IMPACT ON PARTICIPANTS.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide participants in the national service program with the training, skills, and knowledge necessary for the projects that participants are called upon to perform;

"(2) provide support services to participants, such as the provision of appropriate information and support—

"(A) to those participants who are completing a term of service and making the transition to other educational and career opportunities; and

"(B) to those participants who are school dropouts in order to assist those participants in earning the equivalent of a high school diploma; and

"(3) provide structured opportunities for participants to reflect on their service experiences.

"(c) CONSULTATION.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide in the design, recruitment, and operation of the program for broad-based input from the community served, individuals eligible

to serve as participants in the program, community-based agencies (including community action agencies) with a demonstrated record of experience in providing services, and local labor organizations representing employees of service sponsors;

"(2) prior to the placement of participants, consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program to ensure compliance with the nondisplacement requirements specified in section 177; and

"(3) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

"(d) EVALUATION AND PERFORMANCE GOALS.—

"(1) IN GENERAL.—An application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(A)(i) arrange for an independent evaluation of any national service program carried out using assistance provided to the applicant under section 121; or

"(ii) with the approval of the Corporation, conduct an internal evaluation of the program;

"(B) develop measurable performance goals and evaluation methods (such as the use of surveys of participants and persons served), which are to be used as part of such evaluation to determine the impact of the program—

"(i) on communities and persons served by the projects performed by the program;

"(ii) on participants who take part in the projects; and

"(iii) in such other areas as the Corporation may require; and

"(C) cooperate with any evaluation activities undertaken by the Corporation.

"(2) ALTERNATIVE EVALUATION REQUIREMENTS.—The Corporation may establish alternative evaluation requirements for national service programs based upon the amount of assistance received under section 121 or received by a grant made by a recipient of assistance under such section. The determination of whether a national service program is covered by this paragraph shall be made in such manner as the Corporation may prescribe.

"(e) LIVING ALLOWANCES AND OTHER INSERVICE BENEFITS.—Except as provided in section 140(c), an application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(1) provide a living allowance and other benefits specified in section 140 to participants in any national service program carried out by the applicant using assistance provided under section 121; and

"(2) require that each national service program that receives a grant from the applicant using such assistance will also provide a living allowance and other benefits specified in section 140 to participants in the program.

"(f) SELECTION OF PARTICIPANTS FROM INDIVIDUALS RECRUITED BY CORPORATION OR STATE COMMISSIONS.—The Corporation may also require an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will select a portion of the participants for the program from among prospective participants recruited by the Corporation or State Commissions under section 138(d). The Corporation may specify a minimum percentage of participants to be selected from the national leadership pool established under section 138(e) and may vary the percentage for different types of national service programs.

"SEC. 132. INELIGIBLE SERVICE CATEGORIES.

"An application submitted to the Corporation under section 130 shall include an assurance by

the applicant that any national service program carried out using assistance provided under section 121 and any approved national service position provided to an applicant will not be used to perform service that provides a direct benefit to any—

"(1) business organized for profit;

"(2) labor union;

"(3) partisan political organization; or

"(4) organization engaged in religious activities, unless such service does not involve the use of assistance provided under section 121 or participants to give religious instruction, conduct worship services, or engage in any form of proselytization.

"SEC. 133. CONSIDERATION OF APPLICATIONS.

"(a) CORPORATION CONSIDERATION OF CERTAIN CRITERIA.—The Corporation shall apply the criteria described in subsections (c) and (d) in determining whether—

"(1) to approve an application submitted under section 130 and provide assistance under section 121 to the applicant; and

"(2) to approve service positions described in the application as national service positions that include the national service educational award described in subtitle D and provide such approved national service positions to the applicant.

"(b) APPLICATION TO SUBGRANTS.—A State or other entity that uses assistance provided under section 121(a) to support national service programs selected on a competitive basis to receive a share of the assistance shall use the criteria described in subsections (c) and (d) when considering an application submitted by a national service program to receive a portion of such assistance or an approved national service position. The application of the State or other entity under section 130 shall contain a certification that the State or other entity complied with these criteria in the selection of national service programs to receive assistance.

"(c) ASSISTANCE CRITERIA.—The criteria required to be applied in evaluating applications submitted under section 130 are as follows:

"(1) The quality of the national service program proposed to be carried out directly by the applicant or supported by a grant from the applicant.

"(2) The innovative aspects of the national service program, and the feasibility of replicating the program.

"(3) The sustainability of the national service program, based on evidence such as the existence—

"(A) of strong and broad-based community support for the program; and

"(B) of multiple funding sources or private funding for the program.

"(4) The quality of the leadership of the national service program, the past performance of the program, and the extent to which the program builds on existing programs.

"(5) The extent to which participants of the national service program are recruited from among residents of the communities in which projects are to be conducted, and the extent to which participants and community residents are involved in the design, leadership, and operation of the program.

"(6) The extent to which projects would be conducted in areas where such projects are needed most, such as—

"(A) communities designated as enterprise zones or redevelopment areas, targeted for special economic incentives, or otherwise identifiable as having high percentages or concentrations of low-income individuals;

"(B) areas that are environmentally distressed;

"(C) areas adversely affected by reductions in defense spending or the closure or realignment of military installations; and

"(D) areas—

"(i) that have experienced a substantial reduction in population, as determined by the Corporation; and

"(ii) with high numbers or percentages of economically disadvantaged older adults.

"(7) In the case of applicants other than States, the extent to which the application is consistent with the application under section 130 of the State in which the projects would be conducted.

"(8) Such other criteria as the Corporation considers to be appropriate.

"(d) OTHER CONSIDERATIONS.—

"(1) GEOGRAPHIC DIVERSITY.—The Corporation shall ensure that recipients of assistance provided under section 121 are geographically diverse and include projects to be conducted in those urban and rural areas in a State with the highest rates of poverty.

"(2) PRIORITIES.—

"(A) IN GENERAL.—The Corporation may designate, under such criteria as may be established by the Corporation, certain national service programs or types of national service programs described in section 122(a) for priority consideration in the competitive distribution of funds under section 129(d)(2).

"(B) PROGRAMS DESIGNATED TO RECEIVE PRIORITY.—In designating national service programs to receive priority, the Corporation may include—

"(i) national service programs carried out by another Federal agency;

"(ii) national service programs that conform to the national service priorities in effect under section 122(c);

"(iii) innovative national service programs;

"(iv) national service programs that are well established in one or more States at the time of the application and are proposed to be expanded to additional States using assistance provided under section 121;

"(v) grant programs in support of other national service programs if the grant programs are to be conducted by not-for-profit organizations (including community action agencies) with a demonstrated and extensive expertise in the provision of services to meet human, educational, environmental, or public safety needs; and

"(vi) professional corps programs described in section 122(a)(8).

"(C) EXCEPTION.—In making a competitive distribution of funds under section 129(d)(2), the President may give priority consideration to a national service program that is—

"(i) proposed in an application submitted by a State Commission; and

"(ii) not one of the types of programs described in clauses (i) through (vi) of subparagraph (B),

if the State Commission provides an adequate explanation of the reasons why it should not be a priority of such State to carry out any of such types of programs in the State.

"(3) REVIEW PANEL.—The President shall—

"(A) establish panels of experts for the purpose of securing recommendations on applications submitted under section 130 for more than \$100,000 in assistance, or for national service positions that would require more than \$100,000 in national service educational awards; and

"(B) consider the opinions of such panels prior to making such determinations.

"(e) EMPHASIS ON AREAS MOST IN NEED.—In making assistance available under section 121 and in providing approved national service positions under section 123, the Corporation shall ensure that not less than 50 percent of the total amount of assistance to be distributed to States under subsections (a) and (d)(1) of section 129 for a fiscal year is provided to carry out or support national service programs and projects that—

"(1) are conducted in areas described in any of subparagraphs (A) through (D) of subsection (c)(6) or on Federal or other public lands, to address unmet human, educational, environmental, or public safety needs in such areas or on such lands; and

"(2) place a priority on the recruitment of participants who are residents of areas described in any of subparagraphs (A) through (D) of subsection (c)(6) or Federal or other public lands.

"(f) REJECTION OF STATE APPLICATIONS.—

"(1) NOTIFICATION OF STATE APPLICANTS.—If the Corporation rejects an application submitted by a State Commission under section 130 for funds described in section 129(a)(1), the Corporation shall promptly notify the State Commission of the reasons for the rejection of the application.

"(2) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State Commission notified under paragraph (1) with a reasonable opportunity to revise and resubmit the application. At the request of the State Commission, the Corporation shall provide technical assistance to the State Commission as part of the resubmission process. The Corporation shall promptly reconsider an application resubmitted under this paragraph.

"(3) REALLOTMENT.—The amount of any State's allotment under section 129(a) for a fiscal year that the Corporation determines will not be provided for that fiscal year shall be available for distribution by the Corporation as provided in paragraph (3) of such subsection.

"PART III—NATIONAL SERVICE PARTICIPANTS

"SEC. 137. DESCRIPTION OF PARTICIPANTS.

"(a) IN GENERAL.—For purposes of this subtitle, an individual shall be considered to be a participant in a national service program carried out using assistance provided under section 121 if the individual—

"(1) meets such eligibility requirements as may be established by the program;

"(2) is selected by the program to serve in a position with the program;

"(3) will serve in the program for a term of service specified in section 139 to be performed before, during, or after attendance at an institution of higher education;

"(4) is 17 years of age or older at the time the individual begins the term of service;

"(5)(A)(i) has received a high school diploma or its equivalent; or

"(ii) agrees to obtain a high school diploma or its equivalent and the individual did not drop out of an elementary or secondary school to enroll in the program; or

"(B)(i) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of section 484(d) of the Higher Education Act of 1965 (20 U.S.C. 1091(d)); and

"(ii) meets the requirements of section 484(a) of such Act; and

"(6) is a citizen of the United States or lawfully admitted for permanent residence.

"(b) SPECIAL RULES FOR CERTAIN YOUTH PROGRAMS.—An individual shall be considered to be a participant in a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9) that is carried out with assistance provided under section 121(a) if the individual—

"(1) satisfies the requirements specified in subsection (a), except paragraph (4) of such subsection; and

"(2) is between the ages of 16 and 25, inclusive, at the time the individual begins the term of service.

"(c) WAIVER.—The Corporation may waive the requirements of subsection (a)(5)(A) with respect to an individual if the program in which

the individual seeks to become a participant conducts an independent evaluation demonstrating that the individual is incapable of obtaining a high school diploma or its equivalent.

"SEC. 138. SELECTION OF NATIONAL SERVICE PARTICIPANTS.

"(a) SELECTION PROCESS.—Subject to subsections (b) and (c) and section 131(f), the actual recruitment and selection of an individual to serve in a national service program receiving assistance under section 121 or to fill an approved national service position shall be conducted by the State, subdivision of a State, Indian tribe, public or private not-for-profit organization, institution of higher education, Federal agency, or other entity to which the assistance and approved national service positions are provided.

"(b) NONDISCRIMINATION AND NONPOLITICAL SELECTION OF PARTICIPANTS.—The recruitment and selection of individuals to serve in national service programs receiving assistance under section 121 or to fill approved national service positions shall be consistent with the requirements of section 175.

"(c) SECOND TERM.—Acceptance into a national service program to serve a second term of service under section 139 shall only be available to individuals who perform satisfactorily in their first term of service.

"(d) RECRUITMENT AND PLACEMENT.—The Corporation and each State Commission shall establish a system to recruit individuals who desire to perform national service and to assist the placement of these individuals in approved national service positions, including positions available under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951). The Corporation and State Commissions shall disseminate information regarding available approved national service positions through cooperation with secondary schools, institutions of higher education, employment service offices, State vocational rehabilitation agencies within the meaning of the Rehabilitation Act of 1973 and other State agencies that primarily serve individuals with disabilities, and other appropriate entities, particularly those organizations that provide outreach to economically disadvantaged youths or youths who are individuals with disabilities.

"(e) NATIONAL LEADERSHIP POOL.—

"(1) SELECTION AND TRAINING.—From among individuals recruited under subsection (d), the Corporation may select individuals with significant leadership potential, as determined by the Corporation, to receive special training to enhance their leadership ability. The leadership training shall be provided by the Corporation directly or through a grant or contract.

"(2) EMPHASIS ON CERTAIN INDIVIDUALS.—In selecting individuals to receive leadership training under this subsection, the Corporation shall make special efforts to select individuals who have served—

"(A) in the Peace Corps;

"(B) as VISTA volunteers;

"(C) as participants in national service programs receiving assistance under section 121; or

"(D) as participants in programs receiving assistance under subtitle D of the National and Community Service Act of 1990, as in effect on the day before the date of enactment of this subtitle.

"(3) ASSIGNMENT.—At the request of a program that receives assistance under the national service laws, the Corporation may assign an individual who receives leadership training under paragraph (1) to work with the program in a leadership position and carry out assignments not otherwise performed by regular participants. An individual assigned to a program shall be considered to be a participant of the program.

"SEC. 139. TERMS OF SERVICE.

"(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform full- or part-time national service for at least one term of service specified in subsection (b).

"(b) TERM OF SERVICE.—

"(1) FULL-TIME SERVICE.—An individual performing full-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of not less than 9 months and not more than 1 year.

"(2) PART-TIME SERVICE.—Except as provided in paragraph (3), an individual performing part-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of—

"(A) not less than 1 year and not more than 2 years; or

"(B) not less than 1 year and not more than 3 years if the individual is enrolled in an institution of higher education while performing all or a majority of the hours of such service.

"(3) REDUCTION IN HOURS OF PART-TIME SERVICE.—The Corporation may reduce the number of hours required to be served to successfully complete part-time national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

"(c) RELEASE FROM COMPLETING TERM OF SERVICE.—

"(1) RELEASE AUTHORIZED.—A recipient of assistance under section 121 or a program sponsoring an approved national service position may release a participant from completing a term of service in the position—

"(A) for compelling personal circumstances as demonstrated by the participant; or

"(B) for cause.

"(2) EFFECT OF RELEASE.—If the released participant was serving in an approved national service position, the participant may receive a portion of the national service educational award corresponding to that service in the manner provided in section 147(b), except that a participant released for cause may not receive any portion of the national service educational award.

"SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE PARTICIPANTS.

"(a) PROVISION OF LIVING ALLOWANCE.—

"(1) LIVING ALLOWANCE PERMITTED.—Subject to paragraph (3), a national service program carried out using assistance provided under section 121 shall provide to each participant in the program a living allowance in such an amount as may be established by the program.

"(2) LIMITATION ON FEDERAL SHARE.—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under section 121 and using any other Federal funds shall not exceed the lesser of—

"(A) 85 percent of the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(B) 85 percent of the annual living allowance established by the national service program involved.

"(3) MAXIMUM LIVING ALLOWANCE.—Except as provided in subsection (c), the total amount of an annual living allowance that may be provided to a participant in a national service program shall not exceed 200 percent of the average annual subsistence allowance provided to

VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) PRORATION OF LIVING ALLOWANCE.—The amount provided as a living allowance under this subsection shall be prorated in the case of a participant who is authorized to serve a reduced term of service under section 139(b)(3).

"(b) COVERAGE OF CERTAIN EMPLOYMENT-RELATED TAXES.—To the extent a national service program that receives assistance under section 121 is subject, with respect to the participants in the program, to the taxes imposed on an employer under sections 3111 and 3301 of the Internal Revenue Code of 1986 (26 U.S.C. 3111, 3301) and taxes imposed on an employer under a workmen's compensation act, the assistance provided to the program under section 121 shall include an amount sufficient to cover 85 percent of such taxes based upon the lesser of—

"(1) the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(2) the annual living allowance established by the program.

"(c) EXCEPTION FROM MAXIMUM LIVING ALLOWANCE FOR CERTAIN ASSISTANCE.—A professional corps program described in section 122(a)(8) that desires to provide a living allowance in excess of the maximum allowance authorized in subsection (a)(3) may still apply for such assistance, except that—

"(1) any assistance provided to the applicant under section 121 may not be used to pay for any portion of the allowance;

"(2) the applicant shall apply for such assistance only by submitting an application to the Corporation for assistance on a competitive basis; and

"(3) the national service program shall be operated directly by the applicant and shall meet urgent, unmet human, educational, environmental, or public safety needs, as determined by the Corporation.

"(d) HEALTH INSURANCE.—A State or other recipient of assistance under section 121 shall provide a basic health care policy for each full-time participant in a national service program carried out or supported using the assistance if the participant is not otherwise covered by a health care policy. Not more than 85 percent of the cost of a premium shall be provided by the Corporation, with the remaining cost paid by the entity receiving assistance under section 121. The Corporation shall establish minimum standards that all plans shall meet in order to qualify for payment under this part, any circumstances in which an alternative health care policy may be substituted for the basic health care policy, and mechanisms to prohibit participants from dropping existing coverage.

"(e) CHILD CARE.—

"(1) AVAILABILITY.—A State or other recipient of assistance under section 121 shall—

"(A) make child care available for children of each full-time participant who serves in a national service program carried out or supported by the recipient using the assistance, including individuals who need such child care in order to participate in the program; or

"(B) provide a child care allowance to each full-time participant in a national service program who needs such assistance in order to participate in the program.

"(2) GUIDELINES.—The Corporation shall establish guidelines regarding the circumstances under which child care shall be made available under this subsection and the value of any allowance to be provided.

"(f) WAIVER OF LIMITATION ON FEDERAL SHARE.—The Corporation may waive in whole or in part the limitation on the Federal share specified in this section with respect to a par-

ticular national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 141. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) ELIGIBILITY GENERALLY.—A participant in a national service program carried out using assistance provided to an applicant under section 121 shall be eligible for the national service educational award described in subtitle D if the participant—

"(1) serves in an approved national service position; and

"(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(b) SPECIAL RULE FOR VISTA VOLUNTEERS.—A VISTA volunteer who serves in an approved national service position shall be ineligible for a national service educational award if the VISTA volunteer accepts the stipend authorized under section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(a)(1))."

"(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle C of title I of such Act and inserting the following new items:

"Subtitle C—National Service Trust Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"Sec. 121. Authority to provide assistance and approved national service positions.

"Sec. 122. Types of national service programs eligible for program assistance.

"Sec. 123. Types of national service positions eligible for approval for national service educational awards.

"Sec. 124. Types of program assistance.

"Sec. 125. Training and technical assistance.

"Sec. 126. Other special assistance.

"PART II—APPLICATION AND APPROVAL PROCESS

"Sec. 129. Provision of assistance and approved national service positions by competitive and other means.

"Sec. 130. Application for assistance and approved national service positions.

"Sec. 131. National service program assistance requirements.

"Sec. 132. Ineligible service categories.

"Sec. 133. Consideration of applications.

"PART III—NATIONAL SERVICE PARTICIPANTS

"Sec. 137. Description of participants.

"Sec. 138. Selection of national service participants.

"Sec. 139. Terms of service.

"Sec. 140. Living allowances for national service participants.

"Sec. 141. National service educational awards."

SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF NATIONAL SERVICE EDUCATIONAL AWARDS.

(a) ESTABLISHMENT OF TRUST; PROVISION OF AWARDS.—Subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) is amended to read as follows:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE TRUST.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States an account to be known as the National Service Trust. The Trust shall consist of—

"(1) from the amounts appropriated to the Corporation and made available to carry out this subtitle pursuant to section 501(a)(1), such amounts as the Corporation may designate to be available for the payment of—

"(A) national service educational awards; and

"(B) interest expenses pursuant to subsection 148(e);

"(2) any amounts received by the Corporation as gifts, bequests, devise, or otherwise pursuant to section 196(a)(2); and

"(3) the interest on, and proceeds from the sale or redemption of, any obligations held by the Trust.

"(b) INVESTMENT OF TRUST.—It shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated to the Trust. Except as otherwise expressly provided in instruments concerning a gift, bequest, devise, or other donation and agreed to by the Corporation, such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market-place. Any obligation acquired by the Trust may be sold by the Secretary at the market price.

"(c) EXPENDITURES FROM TRUST.—Amounts in the Trust shall be available for payments of national service educational awards in accordance with section 148.

"(d) REPORTS TO CONGRESS ON RECEIPTS AND EXPENDITURES.—The Corporation shall submit an annual report to the Congress on the financial status of the Trust. Such report shall—

"(1) specify the amount deposited to the Trust from the most recent appropriation to the Corporation, the amount received by the Corporation as gifts or bequest during the period covered by the report, and any amounts obtained by the Trust pursuant to subsection (a)(3);

"(2) identify the number of individuals who are currently performing service to qualify, or have qualified, for national service educational awards;

"(3) identify the number of individuals whose ability to claim national service educational awards during the period covered by the report—

"(A) has been reduced pursuant to section 147(b); or

"(B) has lapsed pursuant to section 146(d); and

"(4) estimate the number of additional approved national service positions which the Corporation will be able to make available under subtitle C on the basis of any accumulated surplus in the Trust above the amount required to provide national service educational awards to individuals identified under paragraph (2), including any amounts available as a result of the circumstances referred to in paragraph (3).

"SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL SERVICE EDUCATIONAL AWARD FROM THE TRUST.

"(a) ELIGIBLE INDIVIDUALS.—An individual shall be eligible to receive a national service educational award from the National Service Trust if the individual—

"(1) successfully completes the required term of service described in subsection (b) in an approved national service position;

"(2) was 17 years of age or older at the time the individual began serving in the approved national service position or was an out-of-school youth serving in an approved national service position with a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9);

"(3) at the time the individual uses the national service educational award—

"(A) has received a high school diploma, or the equivalent of such diploma;

"(B) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of section 484(d) of the Higher Education Act of 1965 (20 U.S.C. 1091(d)); and

"(ii) meets the requirements of section 484(a) of such Act; or

"(C) has received a waiver described in section 137(c); and

"(4) is a citizen of the United States or lawfully admitted for permanent residence.

"(b) TERM OF SERVICE.—The term of service for an approved national service position shall not be less than the full- or part-time term of service specified in section 139(b).

"(c) LIMITATION ON NUMBER OF TERMS OF SERVICE FOR AWARDS.—Although an individual may serve more than 2 terms of service described in subsection (b) in an approved national service position, the individual shall receive a national service educational award from the National Service Trust only on the basis of the first and second of such terms of service.

"(d) TIME FOR USE OF EDUCATIONAL AWARD.—

"(1) FIVE-YEAR REQUIREMENT.—An individual eligible to receive a national service educational award under this section may not use such award after the end of the 5-year period beginning on the date the individual completes the term of service in an approved national service position that is the basis of the award.

"(2) EXCEPTION.—The Corporation may extend the period within which an individual may use a national service educational award if the Corporation determines that the individual—

"(A) was unavoidably prevented from using the national service educational award during the original 5-year period; or

"(B) performed another term of service in an approved national service position during that period.

"SEC. 147. DETERMINATION OF THE AMOUNT OF THE NATIONAL SERVICE EDUCATIONAL AWARD.

"(a) AMOUNT GENERALLY.—Except as provided in subsection (b), an individual described in section 146(a) who successfully completes a required term of service in an approved national service position shall receive a national service educational award having a value equal to \$5,000 for each of not more than 2 of such terms of service.

"(b) AWARD FOR PARTIAL COMPLETION OF SERVICE.—If an individual serving in an approved national service position is released in accordance with section 139(c)(1)(A) from completing the term of service agreed to by the individual, the Corporation may provide the individual with that portion of the national service educational award approved for the individual that corresponds to the quantity of the term of service actually completed by the individual.

"SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) IN GENERAL.—Amounts in the Trust shall be available—

"(1) to repay student loans in accordance with subsection (b);

"(2) to pay all or part of the cost of attendance at an institution of higher education in accordance with subsection (c);

"(3) to pay expenses incurred in participating in an approved school-to-work program in accordance with subsection (d); and

"(4) to pay interest expenses in accordance with regulations prescribed pursuant to subsection (e).

"(b) USE OF EDUCATIONAL AWARD TO REPAY OUTSTANDING STUDENT LOANS.—

"(1) APPLICATION BY ELIGIBLE INDIVIDUALS.—An eligible individual under section 146 who desires to apply the national service educational award of the individual to the repayment of qualified student loans shall submit, in a manner prescribed by the Corporation, an application to the Corporation that—

"(A) identifies, or permits the Corporation to identify readily, the holder or holders of such loans;

"(B) indicates, or permits the Corporation to determine readily, the amounts of principal and interest outstanding on the loans;

"(C) specifies the qualified student loan to which the individual desires to apply the national service educational award, in any case in which the total of the amounts described in subparagraph (B) is greater than the amount of the national service educational award to which the individual is entitled; and

"(D) contains or is accompanied by such other information as the Corporation may require.

"(2) DISBURSEMENT OF REPAYMENTS.—Upon receipt of an application from an eligible individual of an application that complies with paragraph (1), the Corporation shall, as promptly as practicable consistent with paragraph (5), disburse the amount of the national service educational award to which the eligible individual is entitled. Such disbursement shall be made by check or other means that is payable to the holder of the loan and requires the endorsement or other certification by the eligible individual.

"(3) APPLICATION OF DISBURSED AMOUNTS.—If the amount disbursed under paragraph (2) is less than the principal and accrued interest on any qualified student loan, such amount shall first be applied to the repayment of principal. In a case described in paragraph (1)(C), such amount shall be applied to the loan described in paragraph (1)(C).

"(4) REPORTS BY HOLDERS.—Any holder receiving a loan payment pursuant to this subsection shall submit to the Corporation such information as the Corporation may require to verify that such payment was applied in accordance with this subsection and any regulations prescribed to carry out this subsection.

"(5) AUTHORITY TO AGGREGATE PAYMENTS.—The Corporation may, by regulation, provide for the aggregation of payments to holders under this subsection.

"(6) NOTIFICATION.—On disbursing a national service educational award to which an individual is entitled under paragraph (2) and applying the award to a loan, the Corporation shall notify the individual of the amount disbursed for each such loan and the date of the disbursement.

"(7) DEFINITIONS.—As used in this subsection:

"(A) QUALIFIED STUDENT LOAN.—The term 'qualified student loan' means—

"(i) any loan made, insured, or guaranteed pursuant to title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), other than a loan to a parent of a student pursuant to section 428B of such Act (20 U.S.C. 1078-2); and

"(ii) any loan made pursuant to title VII or VIII of the Public Health Service Act (42 U.S.C. 292a et seq.).

"(B) HOLDER.—The term 'holder' with respect to any eligible loan means the original lender or, if the loan is subsequently sold, transferred, or assigned to some other person, and such other person acquires a legally enforceable right to receive payments from the borrower, such other person.

"(C) USE OF EDUCATIONAL AWARDS TO PAY CURRENT EDUCATIONAL EXPENSES.—

"(1) APPLICATION BY ELIGIBLE INDIVIDUAL.—An eligible individual under section 146 who desires to apply the national service educational award of the individual to the payment of full-time or part-time educational expenses, that have been incurred by the individual prior to the service of the individual under subtitle C, shall, on a form prescribed by the Corporation, submit an application to the institution of higher education in which the student will be enrolled that contains such information as the Corporation may require to verify the individual's eligibility.

"(2) SUBMISSION OF REQUESTS FOR PAYMENT BY INSTITUTIONS.—An institution of higher edu-

cation that receives one or more applications that comply with paragraph (1) shall submit to the Corporation a statement, in a manner prescribed by the Corporation, that—

"(A) identifies each eligible individual filing an application under paragraph (1) for a disbursement of the individual's national service educational award under this subsection;

"(B) specifies the amounts for which such eligible individuals are, consistent with paragraph (6), qualified for disbursement under this subsection;

"(C) certifies that—

"(i) the institution of higher education has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094); and

"(ii) the institution's eligibility to participate in any of the programs under title IV of such Act (20 U.S.C. 1070 et seq.) has not been limited, suspended, or terminated; and

"(D) contains such provisions concerning financial compliance as the Corporation may require.

"(3) DISBURSEMENT OF PAYMENTS.—Upon receipt of a statement from an institution of higher education that complies with paragraph (2), the Corporation shall, subject to paragraph (4), disburse the total amount of the national service educational awards for which eligible individuals who have submitted applications to that institution under paragraph (1) are qualified. Such disbursement shall be made by check or other means that is payable to the institution and requires the endorsement or other certification by the eligible individual.

"(4) MULTIPLE DISBURSEMENTS REQUIRED.—The total amount required to be disbursed to an institution of higher education under paragraph (3) for any period of enrollment shall be disbursed by the Corporation in 2 or more installments, none of which exceeds 1/2 of such total amount. The interval between the first and second such installment shall not be less than 1/2 of such period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the second semester, quarter, or similar division of such period of enrollment.

"(5) REFUND RULES.—The Corporation shall, by regulation, provide for the refund to the Corporation (and the crediting to the national service educational award of an eligible individual) of amounts disbursed to institutions for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Such regulations shall be consistent with the fair and equitable refund policies required of institutions pursuant to section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b). Amounts refunded to the Trust pursuant to this paragraph may be used by the Corporation to fund additional approved national service positions under subtitle C.

"(6) MAXIMUM AWARD.—The portion of an eligible individual's total available national service educational award that may be disbursed under this subsection for any period of enrollment shall not exceed the difference between—

"(A) the eligible individual's cost of attendance for such period of enrollment, determined in accordance with section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087l); and

"(B) the sum of—

"(i) the student's estimated financial assistance for such period under part A of title IV of such Act (20 U.S.C. 1070 et seq.); and

"(ii) the student's veterans' education benefits, determined in accordance with section 480(c) of such Act (20 U.S.C. 1087vv(c)).

"(d) USE OF EDUCATIONAL AWARD TO PARTICIPATE IN APPROVED SCHOOL-TO-WORK PROGRAMS.—The Corporation shall by regulation provide for the payment of national service educational awards to permit eligible individuals to

participate in school-to-work programs approved by the Secretaries of Labor and Education.

"(e) INTEREST PAYMENTS DURING FORBEARANCE ON LOAN REPAYMENT.—The Corporation may provide by regulation for the payment on behalf of an eligible individual of interest that accrues during a period for which such individual has obtained forbearance in the repayment of a qualified student loan (as defined in subsection (b)(7)), if the eligible individual successfully completes the required term of service (as determined under section 146(b)) of the individual. Such regulations shall be prescribed after consultation with the Secretary of Education.

"(f) EXCEPTION.—

"(1) OPTION.—With the approval of the President, a national service program that receives assistance under section 121 may offer to each participant in the program the option of—

"(A) waiving the right of the participant to receive a national service education award; and
 "(B) receiving an alternative post-service benefit.

"(2) SOURCES OF FUNDING.—In providing for the alternative post-service benefit, the program may not use funds made available under this Act or any other Federal law.

"(g) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—Notwithstanding section 101 of this Act, for purposes of this section the term 'institution of higher education' has the meaning provided by section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a))."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle D of title I of such Act and inserting the following new items:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"Sec. 145. Establishment of the National Service Trust.

"Sec. 146. Individuals eligible to receive a national service educational award from the Trust.

"Sec. 147. Determination of the amount of the national service educational award.

"Sec. 148. Disbursement of national service educational awards."

(c) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY FOR SUBSIDIZED STAFFORD LOANS.—Section 428(a)(2)(C)(i) of the Higher Education Act of 1965 (20 U.S.C. 1078(a)(2)(C)(i)) is amended by inserting "any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)," after "parts C and E of this title."

(2) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—Section 428 of the Higher Education Act of 1965 is amended—

(A) in subsection (b)(1)—

(i) by redesignating subparagraphs (W), (X), and (Y) as subparagraphs (X), (Y), and (Z), respectively; and

(ii) by inserting after subparagraph (V) the following new subparagraph:

"(W)(i) provides that, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary, during periods in which the borrower is serving in a national service position, for which the borrower receives a national service educational award under the National and Community Service Trust Act of 1993;

"(ii) provides that clauses (iii) and (iv) of subparagraph (V) shall also apply to a forbearance granted under this subparagraph; and

"(iii) provides that interest shall continue to accrue on a loan for which a borrower receives

forbearance under this subparagraph and shall be capitalized or paid by the borrower;" and

(B) in subsection (c)(3)(A), by striking "subsection (b)(1)(V)" and inserting "subparagraphs (V) and (W) of subsection (b)(1)".

(3) ELIGIBILITY FOR STAFFORD LOAN FORGIVENESS.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(A) in subsection (b)(1), is amended by striking "October 1, 1992" and inserting "October 1, 1989"; and

(B) in subsection (c), by adding at the end the following new paragraph:

"(5) INELIGIBILITY OF NATIONAL SERVICE EDUCATIONAL AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(4) ELIGIBILITY FOR PERKINS LOAN FORGIVENESS.—Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following new paragraph:

"(6) No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(5) IMPACT ON GENERAL NEEDS ANALYSIS.—Section 480(j) of such Act (20 U.S.C. 1087vv(j)) is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.) shall not be taken into account in determining estimated financial assistance not received under this title."

SEC. 103. SCHOOL-BASED AND COMMUNITY-BASED SERVICE-LEARNING PROGRAMS.

(a) AMENDMENTS TO SERVE-AMERICA PROGRAMS.—

(1) PURPOSE.—The purpose of this subsection is to improve the Serve-America programs established under part I of subtitle B of the National and Community Service Act of 1990, and to enable the Corporation for National and Community Service, and the entities receiving financial assistance under such part, to—

(A) work with teachers in elementary schools and secondary schools within a community, and with community-based agencies, to create and offer service-learning opportunities for all school-age youth;

(B) educate teachers, and faculty providing teacher training and retraining, about service-learning, and incorporate service-learning opportunities into classroom teaching to strengthen academic learning;

(C) coordinate the work of adult volunteers who work with elementary and secondary schools as part of their community service activities; and

(D) work with employers in the communities to ensure that projects introduce the students to various careers and expose the students to needed further education and training.

(2) PROGRAMS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by striking the subtitle heading and all that follows through the end of part I and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"Subpart A—School-Based Programs for Students

"SEC. 111. AUTHORITY TO ASSIST STATES AND INDIAN TRIBES.

"(a) USE OF FUNDS.—The Corporation, in consultation with the Secretary of Education, may

make grants under section 112(b)(1), and allotments under subsections (a) and (b)(2) of section 112, to States (through State educational agencies), and to Indian tribes, to pay for the Federal share of—

"(1) planning and building the capacity of the States or Indian tribes (which may be accomplished through grants or contracts with qualified organizations) to implement school-based service-learning programs, including—

"(A) providing training for teachers, supervisors, personnel from community-based agencies (particularly with regard to the utilization of participants), and trainers, to be conducted by qualified individuals or organizations that have experience with service-learning;

"(B) developing service-learning curricula to be integrated into academic programs, including the age-appropriate learning component described in section 114(d)(5)(B);

"(C) forming local partnerships described in paragraph (2) or (4) to develop school-based service-learning programs in accordance with this subpart;

"(D) devising appropriate methods for research and evaluation of the educational value of service-learning and the effect of service-learning activities on communities; and

"(E) establishing effective outreach and dissemination of information to ensure the broadest possible involvement of community-based agencies with demonstrated effectiveness in working with school-age youth in their communities;

"(2) implementing, operating, or expanding school-based service-learning programs, which may include paying for the cost of the recruitment, training, supervision, placement, salaries, and benefits of service-learning coordinators, through State distribution of Federal funds made available under this subpart to projects operated by local partnerships among—

"(A) local educational agencies; and

"(B) one or more community partners that—

"(i) shall include a public or private not-for-profit organization that—

"(I) has demonstrated expertise in the provision of services to meet human, educational, environmental, or public safety needs;

"(II) was in existence 1 year before the date on which the organization submitted an application under section 114; and

"(III) will make projects available for participants, who shall be students; and

"(ii) may include a private for-profit business or private elementary or secondary school;

"(3) planning of school-based service-learning programs through State distribution of Federal funds made available under this subpart to local educational agencies, which planning may include paying for the cost of—

"(A) the salaries and benefits of service-learning coordinators; or

"(B) the recruitment, training, supervision, and placement of service-learning coordinators who are participants in a program under subtitle C or receive a national service educational award under subtitle D,

who will identify the community partners described in paragraph (2)(B) and assist in the design and implementation of a program described in paragraph (2); and

"(4) implementing, operating, or expanding school-based service-learning programs involving adult volunteers to utilize service-learning to improve the education of students through State distribution of Federal funds made available under this part to local partnerships among—

"(A) local educational agencies; and

"(B) one or more—

"(i) public or private not-for-profit organizations;

"(ii) other educational agencies; or

"(iii) private for-profit businesses,

that coordinate and operate projects for participants, who shall be students.

"(b) **DUTIES OF SERVICE-LEARNING COORDINATOR.**—A service-learning coordinator referred to in paragraph (2) or (3) of subsection (a) shall provide services to a local educational agency by—

"(1) expanding the awareness of teachers of the potential of service-learning in strengthening the educational achievement, leadership development, and substantive learning, of students;

"(2) providing technical assistance and information to, and facilitating the training of, teachers who want to use service-learning in their classrooms;

"(3) assisting local partnerships described in subsection (a) in the planning, development, and execution of service-learning projects;

"(4) recruiting and supervising adult volunteers, or individuals who are participants in a program under subtitle C or receive a national service educational award under subtitle D, to expand service-learning opportunities; and

"(5) coordinating the activities of the service-learning coordinator with the activities of the committee described in section 114(d)(1), and, where appropriate, assisting the committee.

"(c) **RELATED EXPENSES.**—A partnership, local educational agency, or other qualified organization that receives financial assistance under this subpart may, in carrying out the activities described in subsection (a), use such assistance to pay for the Federal share of reasonable costs related to the supervision of participants, program administration, transportation, insurance, evaluations, and for other reasonable expenses related to the activities.

"**SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICANTS IN NONPARTICIPATING STATES.**

"In any fiscal year in which a State does not submit an application under section 113, for an allotment under subsection (a) or (b)(2) of section 112, that meets the requirements of section 113 and such other requirements as the President may determine to be appropriate, the Corporation may use the allotment of that State to make direct grants to pay for the Federal share of the cost of—

"(1) carrying out the activities described in paragraph (2) or (4) of section 111(a), to a local partnership described in such paragraph; or

"(2) carrying out the activities described in paragraph (3) of such section, to an agency described in such paragraph, that is located in the State.

"**SEC. 111B. AUTHORITY TO ASSIST PUBLIC OR PRIVATE NOT-FOR-PROFIT ORGANIZATIONS.**

"(a) **IN GENERAL.**—The Corporation may make a grant under section 112(b)(1) to a public or private not-for-profit organization that—

"(1) has experience with service-learning;

"(2) was in existence 1 year before the date on which the organization submitted an application under section 114(a); and

"(3) meets such other criteria as the President may establish.

"(b) **USE OF FUNDS.**—Such an organization may use a grant made under subsection (a) to make grants to partnerships described in paragraph (2) or (4) of section 111(a) to implement, operate, or expand school-based service-learning programs as described in such section and provide technical assistance and training to appropriate persons.

"**SEC. 112. GRANTS AND ALLOTMENTS.**

"(a) **INDIAN TRIBES AND TERRITORIES.**—Of the amounts appropriated to carry out this subpart for any fiscal year, the Corporation shall reserve an amount of not more than 1 percent for payments to Indian tribes, the Virgin Islands, Guam, American Samoa, and the Common-

wealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs. The Corporation may also make payments from such amount to Palau, in accordance with its needs, until such time as the Compact of Free Association with Palau is ratified.

"(b) **GRANTS AND ALLOTMENTS THROUGH STATES.**—The Corporation shall use the remainder of the funds appropriated to carry out this subpart for any fiscal year as follows:

"(1) **GRANTS.**—Except as provided in paragraph (3), from 25 percent of such funds, the Corporation may make grants, on a competitive basis, to—

"(A) States and Indian tribes; or

"(B) as described in section 111B, to grantmaking entities.

"(2) **ALLOTMENTS.**—

"(A) **SCHOOL-AGE YOUTH.**—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the number of school-age youth in the State bears to the total number of school-age youth of all States.

"(B) **ALLOCATION UNDER ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.**—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the allocation to the State for the previous fiscal year under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.) bears to such allocations to all States.

"(3) **MINIMUM AMOUNT.**—No State shall receive, under paragraph (2), an allotment that is less than the allotment such State received for fiscal year 1993 under section 112(b) of this Act, as in effect on the day before the date of enactment of this part. If the amount of funds made available in a fiscal year to carry out paragraph (2) is insufficient to make such allotments, the Corporation shall make available sums from the 25 percent described in paragraph (1) for such fiscal year to make such allotments.

"(4) **DEFINITION.**—Notwithstanding section 101(27), for purposes of this subsection, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and an Indian tribe.

"(c) **REALLOTMENT.**—If the Corporation determines that the allotment of a State or Indian tribe under this section will not be required for a fiscal year because the State or Indian tribe does not submit an application for the allotment under section 113 that meets the requirements of such section and such other requirements as the President may determine to be appropriate, the Corporation shall, after making any grants under section 111A to a partnership or agency described in such section, make any remainder of such allotment available for reallocation to such other States, and Indian tribes, with approved applications submitted under section 113, as the Corporation may determine to be appropriate.

"(d) **EXCEPTION.**—Notwithstanding subsections (a) and (b), if less than \$20,000,000 is appropriated for any fiscal year to carry out this subpart, the Corporation shall award grants to States and Indian tribes, from the amount so appropriated, on a competitive basis to pay for the Federal share of the activities described in section 111.

"**SEC. 113. STATE OR TRIBAL APPLICATIONS.**

"(a) **SUBMISSION.**—To be eligible to receive a grant under section 112(b)(1), an allotment under subsection (a) or (b)(2) of section 112, a reallocation under section 112(c), or a grant under section 112(d), a State, acting through the State educational agency, or an Indian tribe, shall prepare, submit to the Corporation, and obtain approval of, an application at such time

and in such manner as the President may reasonably require.

"(b) **CONTENTS.**—An application that is submitted under subsection (a) with respect to service-learning programs described in section 111 shall include—

"(1) a 3-year strategic plan, or a revision of a previously approved 3-year strategic plan, for promoting service-learning through the programs, which plan shall contain such information as the President may reasonably require, such as—

"(A) a description of the goals to be attained in promoting service-learning through such programs;

"(B) a description of the resources and organization needed to achieve the goals of such programs within elementary schools and secondary schools; and

"(C) a description of the manner in which—

"(i) such programs and the activities to be carried out under such programs relate to the goals described in subparagraph (A);

"(ii) the applicant will evaluate the success of the programs and the extent of community involvement in the programs, and measure the extent to which the programs meet the goals described in subparagraph (A);

"(iii) in reviewing applications that are submitted under section 114(c), the applicant will rank the applications according to the criteria described in section 115(b), will consider the factors described in section 115(a), and will review the applications in a manner that ensures the equitable treatment of all such applications;

"(iv) the programs will be coordinated with—

"(I) the education reform efforts of the applicant;

"(II) other efforts to meet the National Education Goals;

"(III) other service activities in the State or serving the Indian tribe; and

"(IV) other education programs, training programs, social service programs, and appropriate programs that serve school-age youth, that are authorized under Federal law;

"(v) the applicant will disseminate information, conduct outreach, and take other measures, to encourage cooperative efforts among the local educational agencies, local government agencies, community-based agencies, State agencies, and private for-profit businesses that will carry out the service-learning programs proposed by the applicant, to develop and provide projects, including those that involve the participation of urban, suburban, and rural students working together;

"(vi) the applicant will promote appropriate projects in such programs for economically disadvantaged students, students with limited basic skills, students in foster care who are becoming too old for foster care, students of limited-English proficiency, homeless students, and students who are individuals with disabilities;

"(vii) service-learning training and technical assistance will be provided through the programs—

"(I) to State and local educational agency personnel, federally assisted education specialists in the State or serving the Indian tribe, and local recipients of grants under this subpart, to raise the awareness of service-learning among such personnel, specialists, and recipients; and

"(II) by qualified and experienced individuals employed by the State or Indian tribe or through grants or contracts with such individuals;

"(viii) a service-learning network will be established for the State or Indian tribe, comprised of expert teachers and administrators who have carried out successful service-learning activities within the State or serving the Indian tribe; and

"(ix) the applicant will use payments from sources described in section 116(a)(2)(B) to expand projects for students through the programs proposed by the applicant;

"(2) assurances that—

"(A) the applicant will keep such records and provide such information to the Corporation with respect to the programs as may be required for fiscal audits and program evaluation; and

"(B) the applicant will comply with the non-duplication and nondisplacement requirements of section 177 and the grievance procedure requirements of section 176(f); and

"(3) such additional information as the President may reasonably require.

"SEC. 114. LOCAL APPLICATIONS.

"(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—

"(1) **IN GENERAL.—**To be eligible to receive a grant in accordance with section 111B(a) to make grants relating to school-based service-learning programs described in section 111(a)(2), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application.

"(2) **SUBMISSION.—**Such application shall be submitted at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(b) **DIRECT APPLICATION TO CORPORATION TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS IN NONPARTICIPATING STATES.—**To be eligible to receive a grant from the Corporation in the circumstances described in section 111A to carry out an activity described in such section, a partnership or agency described in such section shall prepare, submit to the Corporation, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(c) **APPLICATION TO STATE OR INDIAN TRIBE TO RECEIVE ASSISTANCE TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—**

"(1) **IN GENERAL.—**Any—

"(A) qualified organization that desires to receive financial assistance under this subpart from a State or Indian tribe for an activity described in section 111(a)(1);

"(B) partnership described in section 111(a)(2) that desires to receive such assistance from a State, Indian tribe, or grantmaking entity for an activity described in section 111(a)(2);

"(C) agency described in section 111(a)(3) that desires to receive such assistance from a State or Indian tribe for an activity described in such section; or

"(D) partnership described in section 111(a)(4) that desires to receive such assistance from a State or Indian tribe for an activity described in such section,

to be carried out through a service-learning program described in section 111, shall prepare, submit to the State educational agency, Indian tribe, or grantmaking entity, and obtain approval of, an application for the program.

"(2) **SUBMISSION.—**Such application shall be submitted at such time and in such manner, and shall contain such information, as the agency, tribe, or entity may reasonably require.

"(d) **CONTENTS OF APPLICATION.—**An application that is submitted under subsection (a), (b), or (c) with respect to a service-learning program described in section 111 shall, at a minimum, contain a proposal that includes—

"(1) information specifying the membership and role of an established advisory committee, consisting of representatives of community-based agencies including service recipients, students, parents, teachers, administrators, representatives of agencies that serve school-age youth or older adults, school board members,

representatives of local labor organizations, and representatives of business, that will provide advice with respect to the program;

"(2) a description of—

"(A) the goals of the program which shall include goals that are quantifiable and demonstrate any benefits from the program to participants and the community;

"(B) service-learning projects to be provided under the program, and evidence that participants will make a sustained commitment to service in the projects;

"(C) the manner in which participants in the program were or will be involved in the design and operation of the program;

"(D) training for supervisors, teachers, service sponsors, and participants in the program;

"(E) the manner in which exemplary service will be recognized under the program; and

"(F) any resources that will permit continuation of the program, if needed, after the assistance received under this subpart for the program has ended;

"(3) information that shall include—

"(A) a disclosure of whether or not the participants will receive academic credit for participation in the program;

"(B) the expected number of participants in the program and the hours of service that such participants will provide individually and as a group;

"(C) the proportion of expected participants in the program who are economically disadvantaged, including participants who are individuals with disabilities; and

"(D) any role of adult volunteers in implementing the program, and the manner in which such volunteers will be recruited;

"(4) in the case of an application submitted by a local partnership, a written agreement, between the members of the local partnership, stating that the program was jointly developed by the members and that the program will be jointly executed by the members;

"(5) assurances that—

"(A) prior to the placement of a participant, the entity carrying out the program will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees;

"(B) the entity carrying out the program will develop an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences; and

"(C) the entity carrying out the program will comply with the nonduplication and nondisplacement requirements of section 177 and the grievance procedure requirements of section 176(f); and

"(6) in the case of an application submitted by a grantmaking entity, information demonstrating that the entity will make grants for a program to—

"(A) carry out activities described in section 111B(b) in two or more States, under circumstances in which the activities carried out under such program can be carried out more efficiently through one program than through two or more programs; and

"(B) carry out the same activities, such as training activities or activities related to exchanging information on service experiences, through each of the projects assisted through the program.

"(e) **LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—**No applicant shall submit an application under section 113 or this section, and the Corporation shall reject an application that is submitted under section 113 or this section, if the application describes a project pro-

posed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

"SEC. 115. CONSIDERATION OF APPLICATIONS.

"(a) **CRITERIA FOR APPLICATIONS.—**In approving applications for financial assistance under subsection (a), (b), (c), or (d) of section 112, the Corporation shall consider such criteria with respect to sustainability, replicability, innovation, and quality of programs under this subpart as the President may by regulation specify. In providing assistance under this subpart, a State educational agency, Indian tribe, or grantmaking entity shall consider such criteria.

"(b) **PRIORITY FOR LOCAL APPLICATIONS.—**

"(1) **IN GENERAL.—**In providing assistance under this subpart, a State educational agency or Indian tribe, or the Corporation if section 111A or 111B applies, shall give priority to entities that submit applications under section 114 with respect to service-learning programs described in section 111 that—

"(A) involve participants in the design and operation of the program;

"(B) are in the greatest need of assistance, such as programs targeting low-income areas;

"(C) involve—

"(i) students from public elementary or secondary schools, and students from private elementary or secondary schools, serving together; or

"(ii) students of different ages, races, sexes, ethnic groups, disabilities, or economic backgrounds, serving together; or

"(D) are integrated into the academic program of the participants.

"(c) **REJECTION OF APPLICATIONS.—**If the Corporation rejects an application submitted by a State under section 113 for an allotment under subsection (b)(2) of section 112, the Corporation shall promptly notify the State of the reasons for the rejection of the application. The Corporation shall provide the State with a reasonable opportunity to revise and resubmit the application and shall provide technical assistance, if needed, to the State as part of the resubmission process. The Corporation shall promptly reconsider such resubmitted application.

"SEC. 115A. PARTICIPATION OF STUDENTS AND TEACHERS FROM PRIVATE SCHOOLS.

"(a) **IN GENERAL.—**To the extent consistent with the number of students in the State or Indian tribe or in the school district of the local educational agency involved who are enrolled in private not-for-profit elementary and secondary schools, such State, Indian tribe, or agency shall (after consultation with appropriate private school representatives) make provision—

"(1) for the inclusion of services and arrangements for the benefit of such students so as to allow for the equitable participation of such students in the programs implemented to carry out the objectives and provide the benefits described in this subpart; and

"(2) for the training of the teachers of such students so as to allow for the equitable participation of such teachers in the programs implemented to carry out the objectives and provide the benefits described in this subpart.

"(b) **WAIVER.—**If a State, Indian tribe, or local educational agency is prohibited by law from providing for the participation of students or teachers from private not-for-profit schools as required by subsection (a), or if the Corporation determines that a State, Indian tribe, or local educational agency substantially fails or is unwilling to provide for such participation on an equitable basis, the President shall waive such requirements and shall arrange for the provision of services to such students and teachers. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with paragraphs (3) and

(4) of section 1017(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2727(b)).

"SEC. 116. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

"(a) SHARE.—

"(1) IN GENERAL.—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant or allotment is made under this subpart may not exceed—

"(A) 90 percent of the total cost of the program for the first year for which the program receives assistance under this subpart;

"(B) 80 percent of the total cost of the program for the second year for which the program receives assistance under this subpart;

"(C) 70 percent of the total cost of the program for the third year for which the program receives assistance under this subpart; and

"(D) 50 percent of the total cost of the program for the fourth year, and for any subsequent year, for which the program receives assistance under this subpart.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out such a program, each recipient of assistance under this subpart—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or Federal sources (other than funds made available under the national service laws).

"(b) WAIVER.—The President may waive the requirements of subsection (a) in whole or in part with respect to any such program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 116A. LIMITATIONS ON USES OF FUNDS.

"(a) ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to a State educational agency, Indian tribe, or grantmaking entity that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to pay for administrative costs incurred by—

"(A) the original recipient; or

"(B) the entity carrying out the service-learning programs supported with the assistance.

"(2) RULES ON USE.—The President may by rule prescribe the manner and extent to which—

"(A) such assistance may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient; and

"(ii) the entity carrying out the service-learning programs supported with the assistance.

"(b) CAPACITY-BUILDING ACTIVITIES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), not less than 10 percent and not more than 15 percent of the amount of assistance provided to a State educational agency or Indian tribe that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to build capacity through training, technical assistance, curriculum development, and coordination activities, described in section 111(a)(1).

"(2) WAIVER.—The President may waive the requirements of paragraph (1) in order to permit an agency or a tribe to use not less than 10 percent and not more than 25 percent of such amount to build capacity as provided in paragraph (1). To be eligible to receive such a waiver such an agency or tribe shall submit an application to the President at such time, in such manner, and containing such information as the President may require.

"(c) LOCAL USES OF FUNDS.—Funds made available under this subpart may not be used to pay any stipend, allowance, or other financial support to any student who is a participant under this subtitle, except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this subpart.

"SEC. 116B. DEFINITIONS.

"As used in this subpart:

"(1) GRANTMAKING ENTITY.—The term 'grantmaking entity' means an organization described in section 111B(a).

"(2) SCHOOL-BASED.—The term 'school-based' means based in an elementary school or a secondary school.

"(3) STUDENT.—Notwithstanding section 101(30), the term 'student' means an individual who is enrolled in an elementary or secondary school on a full- or part-time basis.

"Subpart B—Community-Based Service Programs for School-Age Youth

"SEC. 117. DEFINITIONS.

"As used in this subpart:

"(1) COMMUNITY-BASED SERVICE PROGRAM.—The term 'community-based service program' means a program described in section 117A(b)(1)(A).

"(2) GRANTMAKING ENTITY.—The term 'grantmaking entity' means a qualified organization that—

"(A) submits an application under section 117C(a) to make grants to qualified organizations;

"(B) was in existence 1 year before the date on which the organization submitted the application;

"(C) has experience with service-learning; and

"(D) meets such other criteria as the President shall establish.

"(3) QUALIFIED ORGANIZATION.—The term 'qualified organization' means a public or private not-for-profit organization with experience working with school-age youth that meets such criteria as the President may establish.

"SEC. 117A. GENERAL AUTHORITY.

"(a) GRANTS.—From the funds appropriated to carry out this subpart for a fiscal year, the Corporation may make grants to State Commissions, grantmaking entities, and qualified organizations to pay for the Federal share of the implementation, operation, expansion, or replication of community-based service programs.

"(b) USE OF FUNDS.—

"(1) STATE COMMISSIONS AND GRANTMAKING ENTITIES.—A State Commission or grantmaking entity may use a grant made under subsection (a)—

"(A) to make a grant to a qualified organization to implement, operate, expand, or replicate a community-based service program that provides for meaningful human, educational, environmental, or public safety service by participants, who shall be school-age youth; or

"(B) to provide training and technical assistance to such an organization.

"(2) QUALIFIED ORGANIZATIONS.—A qualified organization, other than a grantmaking entity, may use a grant made under subsection (a) to implement, operate, expand, or replicate a program described in paragraph (1)(A).

"SEC. 117B. STATE APPLICATIONS.

"(a) IN GENERAL.—To be eligible to receive a grant under section 117A(a), a State Commission shall prepare, submit to the Corporation, and obtain approval of, an application.

"(b) SUBMISSION.—Such application shall be submitted to the Corporation at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(c) CONTENTS.—Such an application shall include, at a minimum, a State plan that contains

the descriptions, proposals, and assurance described in section 117C(d) with respect to each community-based service program proposed to be carried out through funding distributed by the State Commission under this subpart.

"SEC. 117C. LOCAL APPLICATIONS.

"(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from the Corporation under section 117A(a) to make grants under section 117A(b)(1), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out through grants made to qualified organizations. Such application shall be submitted at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(b) DIRECT APPLICATION TO CORPORATION TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from the Corporation under section 117A(a) to implement, operate, expand, or replicate a community service program, a qualified organization shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out at multiple sites, or that proposes a model or an innovative community-based service program. Such application shall be submitted at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(c) APPLICATION TO STATE COMMISSION OR GRANTMAKING ENTITY TO RECEIVE GRANTS TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from a State Commission or grantmaking entity under section 117A(b)(1), a qualified organization shall prepare, submit to the Commission or entity, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Commission or entity may reasonably require.

"(d) REQUIREMENTS OF APPLICATION.—An application submitted under subsection (a), (b), or (c) shall, at a minimum, contain—

"(1) a description of any community-based service program proposed to be implemented, operated, expanded, or replicated directly by the applicant using assistance provided under this subpart;

"(2) a description of any grant program proposed to be conducted by the applicant with assistance provided under this subpart to support a community-based service program;

"(3) a proposal for carrying out the community-based service program that describes the manner in which the entity carrying out the program will—

"(A) provide preservice and inservice training, for supervisors and participants, that will be conducted by qualified individuals, or qualified organizations, that have experience in community-based service programs;

"(B) include economically disadvantaged individuals as participants in the program proposed by the applicant;

"(C) provide an age-appropriate service-learning component described in section 114(d)(5)(B);

"(D) conduct an appropriate evaluation of the program;

"(E) provide for appropriate community involvement in the program;

"(F) provide service experiences that promote leadership abilities among participants in the program, including experiences that involve such participants in program design;

"(G) involve participants in projects approved by community-based agencies;

"(H) establish and measure progress toward the goals of the program; and

"(I) if appropriate, organize participants in the program into teams, with team leaders who may be participants in a program under subtitle C or individuals who receive a national service educational award under subtitle D;

"(4) an assurance that the entity carrying out the program proposed by the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and the grievance procedure requirements of section 176(f);

"(5) an assurance that the entity carrying out the program will, prior to placing a participant in the program, consult with any local labor organization representing employees in the area in which the program will be carried out that are engaged in the same or similar work as the work proposed to be carried out by the program, to prevent the displacement of such employees; and

"(6) in the case of an application submitted by a grantmaking entity, information demonstrating that the entity will make grants for a program to—

"(A) carry out activities described in section 117A(b)(1) in two or more States, under circumstances in which the activities carried out under such program can be carried out more efficiently through one program than through two or more programs; and

"(B) carry out the same activities, such as training activities or activities related to exchanging information on service experiences, through each of the projects assisted through the program.

"(e) **LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.**—No applicant shall submit an application under section 117B or this section, and the Corporation shall reject an application that is submitted under section 117B or this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

"SEC. 117D. CONSIDERATION OF APPLICATIONS.

"(a) **APPLICATION OF CRITERIA.**—The Corporation shall apply the criteria described in subsection (b) in determining whether to approve an application submitted under section 117B or under subsection (a) or (b) of section 117C and to provide assistance under section 117A to the applicant on the basis of the application.

"(b) **ASSISTANCE CRITERIA.**—In evaluating such an application with respect to a program under this subpart, the Corporation shall consider the criteria established for national service programs under section 133(c).

"(c) **APPLICATION TO SUBGRANTS.**—A State Commission or grantmaking entity shall apply the criteria described in subsection (b) in determining whether to approve an application under section 117C(c) and to make a grant under section 117A(b)(1) to the applicant on the basis of the application.

"SEC. 117E. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

"(a) **FEDERAL SHARE.**—

"(1) **IN GENERAL.**—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant is made under this subpart may not exceed the percentage specified in subparagraph (A), (B), (C), or (D) of section 116(a)(1), as appropriate.

"(2) **CALCULATION.**—Each recipient of assistance under this subpart shall comply with section 116(a)(2).

"(b) **WAIVER.**—The President may waive the requirements of subsection (a), in whole or in part, as provided in section 116(b).

"SEC. 117F. LIMITATIONS ON USES OF FUNDS.

"(a) **ADMINISTRATIVE COSTS.**—Not more than 5 percent of the amount of assistance provided to a State Commission, grantmaking entity, or qualified organization that is the original recipi-

ent of a grant under section 117A(a) for a fiscal year may be used to pay for administrative costs incurred by—

"(1) the original recipient; or

"(2) the entity carrying out the community-based service programs supported with the assistance.

"(b) **RULES ON USE.**—The President may by rule prescribe the manner and extent to which—

"(1) such assistance may be used to cover administrative costs; and

"(2) that portion of the assistance available to cover administrative costs should be distributed between—

"(A) the original recipient; and

"(B) the entity carrying out the community-based service programs supported with the assistance.

"Subpart C—Clearinghouse

"SEC. 118. SERVICE-LEARNING CLEARINGHOUSE.

"(a) **IN GENERAL.**—The Corporation shall provide financial assistance, from funds appropriated to carry out subtitle H, to agencies described in subsection (b) to establish a clearinghouse, which shall carry out activities, either directly or by arrangement with another such entity, with respect to information about service-learning.

"(b) **PUBLIC AND PRIVATE NOT-FOR-PROFIT AGENCIES.**—Public and private not-for-profit agencies that have extensive experience with service-learning, including use of adult volunteers to foster service-learning, shall be eligible to receive assistance under subsection (a).

"(c) **FUNCTION OF CLEARINGHOUSE.**—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local service-learning programs with needs assessments and planning;

"(2) conduct research and evaluations concerning service-learning;

"(3)(A) provide leadership development and training to State and local service-learning program administrators, supervisors, service sponsors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out service-learning programs and participants in such programs;

"(5) provide information, curriculum materials, and technical assistance relating to planning and operation of service-learning programs, to States and local entities eligible to receive financial assistance under this title;

"(6)(A) gather and disseminate information on successful service-learning programs, components of such successful programs, innovative youth skills curricula related to service-learning, and service-learning projects; and

"(B) coordinate the activities of the Clearinghouse with appropriate entities to avoid duplication of effort;

"(7) make recommendations to State and local entities on quality controls to improve the quality of service-learning programs;

"(8) assist organizations in recruiting, screening, and placing service-learning coordinators; and

"(9) carry out such other activities as the President determines to be appropriate."

(b) **HIGHER EDUCATION INNOVATIVE PROJECTS.**—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12531 et seq.) is amended by striking part II and inserting the following:

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"SEC. 119. HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE.

"(a) **PURPOSE.**—It is the purpose of this part to expand participation in community service by

supporting innovative community service programs carried out through institutions of higher education, acting as civic institutions to meet the human, educational, environmental, or public safety needs of neighboring communities.

"(b) **GENERAL AUTHORITY.**—The Corporation, in consultation with the Secretary of Education, is authorized to make grants to, and enter into contracts with, institutions of higher education (including a combination of such institutions), and partnerships comprised of such institutions and of other public agencies or not-for-profit private organizations, to pay for the Federal share of the cost of—

"(1) enabling such an institution or partnership to create or expand an organized community service program that—

"(A) engenders a sense of social responsibility and commitment to the community in which the institution is located; and

"(B) provides projects for participants, who shall be students, faculty, administration, or staff of the institution, or residents of the community;

"(2) supporting student-initiated and student-designed community service projects through the program;

"(3) strengthening the leadership and instructional capacity of teachers at the elementary, secondary, and post secondary levels, with respect to service-learning, by—

"(A) including service-learning as a key component of the preservice teacher education of the institution; and

"(B) encouraging the faculty of the institution to use service-learning methods throughout their curriculum;

"(4) facilitating the integration of community service carried out under the program into academic curricula, including integration of clinical programs into the curriculum for students in professional schools, so that students can obtain credit for their community service projects;

"(5) supplementing the funds available to carry out work-study programs under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.) to support service-learning and community service through the community service program;

"(6) strengthening the service infrastructure within institutions of higher education in the United States through the program; and

"(7) providing for the training of teachers, prospective teachers, related education personnel, and community leaders in the skills necessary to develop, supervise, and organize service-learning.

"(c) **FEDERAL SHARE.**—

"(1) **SHARE.**—

"(A) **IN GENERAL.**—The Federal share of the cost of carrying out a community service project for which a grant or contract is awarded under this part may not exceed 50 percent.

"(B) **CALCULATION.**—Each recipient of assistance under this part shall comply with section 116(a)(2).

"(2) **WAIVER.**—The President may waive the requirements of paragraph (1), in whole or in part, as provided in section 116(b).

"(d) **APPLICATION FOR GRANT.**—

"(1) **SUBMISSION.**—To receive a grant or enter into a contract under this part, an institution or partnership described in subsection (b) shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the President may reasonably require.

"(2) **CONTENTS.**—An application submitted under paragraph (1) shall contain—

"(A) such information as the President may reasonably require, such as a description of—

"(i) the proposed program to be established with assistance provided under the grant or contract;

"(ii) the human, educational, environmental, or public safety service that participants will perform and the community need that will be addressed under such program;

"(iii) whether or not students will receive academic credit for community service projects under the program;

"(iv) the procedure for training supervisors and participants and for supervising and organizing participants in such program;

"(v) the procedures to ensure that the program provides an opportunity for participants to reflect on their service experiences and includes the age-appropriate learning component described in section 114(d)(5)(B);

"(vi) the roles played by students and community members, including service recipients, in the design and implementation of the program; and

"(vii) the budget for the program;

"(B) assurances that—

"(i) prior to the placement of a participant, the applicant will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees; and

"(ii) the applicant will comply with the non-duplication and nondisplacement provisions of section 177 and the grievance procedure requirements of section 176(f); and

"(C) such other assurances as the President may reasonably require.

"(e) PRIORITY.—

"(1) IN GENERAL.—In making grants and entering into contracts under subsection (b), the Corporation shall give priority to applicants that submit applications containing proposals that—

"(A) demonstrate the commitment of the institution of higher education, other than by demonstrating the commitment of the students, to supporting the community service projects carried out under the program;

"(B) specify the manner in which the institution will promote faculty, administration, and staff participation in the community service projects;

"(C) specify the manner in which the institution will provide service to the community through organized programs, including, where appropriate, clinical programs for students in professional schools;

"(D) describe any partnership that will participate in the community service projects, such as a partnership comprised of—

"(i) the institution;

"(ii) (I) a community-based agency;

"(II) a local government agency; or

"(III) a not-for-profit entity that serves or involves school-age youth or older adults; and

"(iii) a student organization;

"(E) demonstrate community involvement in the development of the proposal;

"(F) specify that the institution will use such assistance to strengthen the service infrastructure in institutions of higher education; or

"(G) with respect to projects involving delivery of service, specify projects that involve leadership development of school-age youth.

"(2) DETERMINATION.—In giving priority to applicants under paragraph (1), the Corporation shall give increased priority to such an applicant for each characteristic described in subparagraphs (A) through (G) of paragraph (1) that is reflected in the application submitted by the applicant.

"(f) NATIONAL SERVICE EDUCATIONAL AWARD.—A participant in a program funded under this part shall be eligible for the national service educational award described in subtitle D, if the participant served in an approved national service position.

"(g) DEFINITION.—Notwithstanding section 101(30), as used in this part, the term 'student' means an individual who is enrolled in an institution of higher education on a full- or part-time basis.

"PART III—GENERAL PROVISIONS

"SEC. 120. AVAILABILITY OF APPROPRIATIONS.

"Of the aggregate amount appropriated to carry out this subtitle for each fiscal year—

"(1) a sum equal to 75 percent of such aggregate amount shall be available to carry out part I, of which—

"(A) 85 percent of such sum shall be available to carry out subpart A; and

"(B) 15 percent of such sum shall be available to carry out subpart B; and

"(2) a sum equal to 25 percent of such aggregate amount shall be available to carry out part II."

"(c) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle B of title I of such Act and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"SUBPART A—SCHOOL-BASED PROGRAMS FOR STUDENTS

"Sec. 111. Authority to assist States and Indian tribes.

"Sec. 111A. Authority to assist local applicants in nonparticipating States.

"Sec. 111B. Authority to assist public or private not-for-profit organizations.

"Sec. 112. Grants and allotments.

"Sec. 113. State or tribal applications.

"Sec. 114. Local applications.

"Sec. 115. Consideration of applications.

"Sec. 115A. Participation of students and teachers from private schools.

"Sec. 116. Federal, State, and local contributions.

"Sec. 116A. Limitations on uses of funds.

"Sec. 116B. Definitions.

"SUBPART B—COMMUNITY-BASED SERVICE PROGRAMS FOR SCHOOL-AGE YOUTH

"Sec. 117. Definitions.

"Sec. 117A. General authority.

"Sec. 117B. State applications.

"Sec. 117C. Local applications.

"Sec. 117D. Consideration of applications.

"Sec. 117E. Federal, State, and local contributions.

"Sec. 117F. Limitations on uses of funds.

"SUBPART C—CLEARINGHOUSE

"Sec. 118. Service-learning clearinghouse.

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"Sec. 119. Higher education innovative programs for community service.

"PART III—GENERAL PROVISIONS

"Sec. 120. Availability of appropriations."

SEC. 104. QUALITY AND INNOVATION ACTIVITIES.

(a) REPEAL.—Subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12591 et seq.) is repealed.

(b) TRANSFER.—Title I of the National and Community Service Act of 1990 is amended—

(1) by redesignating subtitle H (42 U.S.C. 12653 et seq.) as subtitle E;

(2) by inserting subtitle E (as redesignated by paragraph (1) of this subsection) after subtitle D; and

(3) by redesignating sections 195 through 195O as sections 151 through 166, respectively.

(c) INVESTMENT FOR QUALITY AND INNOVATION.—Title I of the National and Community Service Act of 1990 (as amended by subsection (b) of this section) is amended by adding at the end the following new subtitle:

"Subtitle H—Investment for Quality and Innovation

"SEC. 198. ADDITIONAL CORPORATION ACTIVITIES TO SUPPORT NATIONAL SERVICE.

"(a) METHODS OF CONDUCTING ACTIVITIES.—The Corporation may carry out this section directly or through grants, contracts, and cooperative agreements with other entities.

"(b) INNOVATION AND QUALITY IMPROVEMENT.—

"(1) ACTIVITIES.—The Corporation may undertake activities to improve the quality of national service programs and to support innovative and model programs, including—

"(A) programs, including programs for rural youth, under subtitle B or C;

"(B) employer-based retiree programs;

"(C) intergenerational programs;

"(D) programs involving individuals with disabilities as participants providing service; and

"(E) programs sponsored by Governors.

"(2) INTERGENERATIONAL PROGRAM.—An intergenerational program referred to in paragraph (1)(C) may include a program in which older adults provide services to children who participate in Head Start programs.

"(c) SUMMER PROGRAMS.—The Corporation may support service programs intended to be carried out between May 1 and October 1, except that such a program may also include a year-round component.

"(d) COMMUNITY-BASED AGENCIES.—The Corporation may provide training and technical assistance and other assistance to service sponsors and other community-based agencies that provide volunteer placements in order to improve the ability of such agencies to use participants and other volunteers in a manner that results in high-quality service and a positive service experience for the participants and volunteers.

"(e) IMPROVE ABILITY TO APPLY FOR ASSISTANCE.—The Corporation shall provide training and technical assistance, where necessary, to individuals, programs, local labor organizations, State educational agencies, State Commissions, local educational agencies, local governments, community-based agencies, and other entities to enable them to apply for funding under one of the national service laws, to conduct high-quality programs, to evaluate such programs, and for other purposes.

"(f) NATIONAL SERVICE FELLOWSHIPS.—The Corporation may award national service fellowships.

"(g) CONFERENCES AND MATERIALS.—The Corporation may organize and hold conferences, and prepare and publish materials, to disseminate information and promote the sharing of information among programs for the purpose of improving the quality of programs and projects.

"(h) PEACE CORPS AND VISTA TRAINING.—The Corporation may provide training assistance to selected individuals who volunteer to serve in the Peace Corps or a program authorized under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The training shall be provided as part of the course of study of the individual at an institution of higher education, shall involve service-learning, and shall cover appropriate skills that the individual will use in the Peace Corps or VISTA.

"(i) PROMOTION AND RECRUITMENT.—The Corporation may conduct a campaign to solicit funds for the National Service Trust and other programs and activities authorized under the national service laws and to promote and recruit participants for programs that receive assistance under the national service laws.

"(j) TRAINING.—The Corporation may support national and regional participant and supervisor training, including leadership training and training in specific types of service and in building the ethic of civic responsibility.

"(k) RESEARCH.—The Corporation may support research on national service, including service-learning.

"(l) INTERGENERATIONAL SUPPORT.—The Corporation may assist programs in developing a service component that combines students, out-of-school youths, and older adults as participants to provide needed community services.

"(m) PLANNING COORDINATION.—The Corporation may coordinate community-wide planning among programs and projects.

"(n) YOUTH LEADERSHIP.—The Corporation may support activities to enhance the ability of youth and young adults to play leadership roles in national service.

"(o) NATIONAL PROGRAM IDENTITY.—The Corporation may support the development and dissemination of materials, including training materials, and arrange for uniforms and insignia, designed to promote unity and shared features among programs that receive assistance under the national service laws.

"(p) SERVICE-LEARNING.—The Corporation shall support innovative programs and activities that promote service-learning.

"(q) NATIONAL YOUTH SERVICE DAY.—
"(1) DESIGNATION.—April 19, 1994, and April 18, 1995 are each designated as 'National Youth Service Day'. The President of the United States is authorized and directed to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

"(2) FEDERAL ACTIVITIES.—In order to observe National Youth Service Day at the Federal level, the Corporation may organize and carry out appropriate ceremonies and activities.

"(3) ACTIVITIES.—The Corporation may make grants to not-for-profit organizations with demonstrated ability to carry out appropriate activities, in order to support such activities on National Youth Service Day.

"SEC. 198A. CLEARINGHOUSES.

"(a) ASSISTANCE.—The Corporation shall provide assistance to appropriate entities to establish one or more clearinghouses, including the clearinghouse described in section 118.

"(b) APPLICATION.—To be eligible to receive assistance under subsection (a), an entity shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

"(c) FUNCTION OF CLEARINGHOUSES.—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local community service programs with needs assessments and planning;

"(2) conduct research and evaluations concerning community service;

"(3)(A) provide leadership development and training to State and local community service program administrators, supervisors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out community service programs and participants;

"(5) provide information, curriculum materials, technical assistance relating to planning and operation of community service programs, to States and local entities eligible to receive funds under this title;

"(6)(A) gather and disseminate information on successful community service programs, components of such successful programs, innovative youth skills curriculum, and community service projects; and

"(B) coordinate the activities of the clearinghouse with appropriate entities to avoid duplication of effort;

"(7) make recommendations to State and local entities on quality controls to improve the deliv-

ery of community service programs and on changes in the programs under this title; and

"(8) carry out such other activities as the President determines to be appropriate.

"SEC. 198B. PRESIDENTIAL AWARDS FOR SERVICE.

"(a) PRESIDENTIAL AWARDS.—

"(1) IN GENERAL.—The President of the United States, acting through the Corporation, may make Presidential awards for service to individuals providing significant service, and to outstanding service programs.

"(2) INDIVIDUALS AND PROGRAMS.—Notwithstanding section 101(20)—

"(A) an individual receiving an award under this subsection need not be a participant in a program authorized under this Act; and

"(B) a program receiving an award under this subsection need not be a program authorized under this Act.

"(3) NATURE OF AWARD.—In making an award under this section to an individual or program, the President of the United States, acting through the Corporation—

"(A) is authorized to incur necessary expenses for the honorary recognition of the individual or program; and

"(B) is not authorized to make a cash award to such individual or program.

"(b) INFORMATION.—The President of the United States, acting through the Corporation, shall ensure that information concerning individuals and programs receiving awards under this section is widely disseminated.

"SEC. 198C. MILITARY INSTALLATION CONVERSION DEMONSTRATION PROGRAMS.

"(a) PURPOSES.—The purposes of this section are to—

"(1) provide meaningful training and paid employment to economically disadvantaged youth;

"(2) fully utilize military installations affected by closures or realignments;

"(3) encourage communities affected by such closures or realignments to convert the installations to community use; and

"(4) foster a sense of community pride in the youth in the community.

"(b) DEFINITIONS.—As used in this section:

"(1) AFFECTED MILITARY INSTALLATION.—The term 'affected military installation' means a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1)).

"(2) COMMUNITY.—The term 'community' includes a county.

"(3) CONVERT TO COMMUNITY USE.—The term 'convert to community use', used with respect to an affected military installation, includes—

"(A) conversion of the installation or a part of the installation to—

"(i) a park;

"(ii) a community center;

"(iii) a recreational facility; or

"(iv) a facility for a Head Start program under the Head Start Act (42 U.S.C. 9831 et seq.); and

"(B) carrying out, at the installation, a construction or economic development project that is of substantial benefit, as determined by the President, to—

"(i) the community in which the installation is located; or

"(ii) a community located within such distance of the installation as the President may determine by regulation to be appropriate.

"(4) DEMONSTRATION PROGRAM.—The term 'demonstration program' means a program described in subsection (c).

"(c) DEMONSTRATION PROGRAMS.—

"(1) GRANTS.—The Corporation may make grants to communities and community-based agencies to pay for the Federal share of establishing and carrying out military installation conversion demonstration programs, to assist in

converting to community use affected military installations located—

"(A) within the community; or

"(B) within such distance from the community as the President may by regulation determine to be appropriate.

"(2) DURATION.—In carrying out such a demonstration program, the community or community-based agency may carry out—

"(A) a program of not less than 6 months in duration; or

"(B) a full-time summer program.

"(d) USE OF FUNDS.—

"(1) SALARY.—A community or community-based agency that receives a grant under subsection (c) to establish and carry out a project through a demonstration program may use the funds made available through such grant to pay for a portion of the salary of the participants in the project.

"(2) LIMITATION ON AMOUNT OF SALARY.—The amount of the salary provided to a participant under paragraph (1) that may be paid using assistance provided under this section and using any other Federal funds shall not exceed the lesser of—

"(A) 85 percent of the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(B) 85 percent of the salary established by the demonstration program involved.

"(e) PARTICIPANTS.—

"(1) ELIGIBILITY.—A person shall be eligible to be selected as a participant in a project carried out through a demonstration program if the person is—

"(A) an economically disadvantaged individual; and

"(B)(i) a person described in section 153(b);

"(ii) a youth described in section 154(a); or

"(iii) an eligible youth described in section 423 of the Job Training Partnership Act (29 U.S.C. 1693).

"(2) PARTICIPATION.—Persons desiring to participate in such a project shall enter into an agreement with the service sponsor of the project to participate—

"(A) on a full-time or a part-time basis; and

"(B) for the duration referred to in subsection (f)(2)(C).

"(f) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive a grant under subsection (c), a community or community-based agency shall submit an application to the President at such time, in such manner, and containing such information as the President may require.

"(2) CONTENTS.—At a minimum, such application shall contain—

"(A) a description of the demonstration program proposed to be conducted by the applicant;

"(B) a proposal for carrying out the program that describes the manner in which the applicant will—

"(i) provide preservice and inservice training, for supervisors and participants, that will be conducted by qualified individuals or qualified organizations;

"(ii) conduct an appropriate evaluation of the program; and

"(iii) provide for appropriate community involvement in the program;

"(C) information indicating the duration of the program; and

"(D) an assurance that the applicant will comply with the nonduplication and non-displacement provisions of section 177 and the grievance procedure requirements of section 176(f).

"(g) LIMITATION ON GRANT.—In making a grant under subsection (c) with respect to a demonstration program to assist in converting an affected military installation, the Corporation shall not make a grant for more than 25 percent of the total cost of the conversion."

(d) TABLE OF CONTENTS.—

(1) CIVILIAN COMMUNITY CORPS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle E of title 1 of such Act and inserting the following:

- "Subtitle E—Civilian Community Corps
 "Sec. 151. Purpose.
 "Sec. 152. Establishment of Civilian Community Corps Demonstration Program.
 "Sec. 153. National service program.
 "Sec. 154. Summer national service program.
 "Sec. 155. Civilian Community Corps.
 "Sec. 156. Training.
 "Sec. 157. Service projects.
 "Sec. 158. Authorized benefits for Corps personnel under Federal law.
 "Sec. 159. Administrative provisions.
 "Sec. 160. Status of Corps members and Corps personnel under Federal law.
 "Sec. 161. Contract and grant authority.
 "Sec. 162. Responsibilities of other departments.
 "Sec. 163. Advisory board.
 "Sec. 164. Annual evaluation.
 "Sec. 165. Funding limitation.
 "Sec. 166. Definitions."

(2) QUALITY AND INNOVATION.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle H of title 1 of such Act and inserting the following:

- "Subtitle H—Investment for Quality and Innovation
 "Sec. 198. Additional corporation activities to support national service.
 "Sec. 198A. Clearinghouses.
 "Sec. 198B. Presidential awards for service.
 "Sec. 198C. Military installation conversion demonstration programs."

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(A) Section 1091(f)(2) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) is amended by striking "195G" and inserting "158".

(B) Paragraphs (1) and (2) of section 1092(b), and sections 1092(c), 1093(a), and 1094(a) of such Act are amended by striking "195A" and inserting "152".

(C) Sections 1091(f)(2), 1092(b)(1), and 1094(a), and subsections (a) and (c) of section 1095 of such Act are amended by striking "subtitle H" and inserting "subtitle E".

(D) Section 1094(b)(1) and subsections (b) and (c)(1) of section 1095 of such Act are amended by striking "subtitles B, C, D, E, F, and G" and inserting "subtitles B, C, D, F, G, and H".

(2) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(A) Section 153(a) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653b(a)) is amended by striking "195A(a)" and inserting "152(a)".

(B) Section 154(a) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653c(a)) is amended by striking "195A(a)" and inserting "152(a)".

(C) Section 155 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653d) is amended—

- (i) in subsection (a), by striking "195H(c)(1)" and inserting "159(c)(1)";
 (ii) in subsection (c)(2), by striking "195H(c)(2)" and inserting "159(c)(2)"; and
 (iii) in subsection (d)(3), by striking "195K(a)(3)" and inserting "162(a)(3)".
 (D) Section 156 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653e) is amended—
 (i) in subsection (c)(1), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

(ii) in subsection (d), by striking "195K(a)(3)" and inserting "162(a)(3)".

(E) Section 159 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653h) is amended—

- (i) in subsection (a)—
 (I) by striking "195A" and inserting "152"; and
 (II) by striking "195" and inserting "151"; and
 (ii) in subsection (c)(2)(C)(i), by striking "195K(a)(2)" and inserting "section 162(a)(2)".

(F) Section 161(b)(1)(B) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653j(b)(1)(B)) is amended by striking "195K(a)(3)" and inserting "162(a)(3)".

(G) Section 162(a)(2)(A) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653k(a)(2)(A)) is amended by striking "195(3)" and inserting "151(3)".

(H) Section 166 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653o) is amended—

- (i) in paragraph (2), by striking "195D" and inserting "155";
 (ii) in paragraph (8), by striking "195A" and inserting "152";
 (iii) in paragraph (10), by striking "195D(d)" and inserting "155(d)"; and
 (iv) in paragraph (11), by striking "195D(c)" and inserting "155(c)".

(f) EXTENSION OF AUTHORITY TO CONDUCT CIVILIAN COMMUNITY CORPS.—Section 1092(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2534), as amended by subsection (e)(1) of this section, is further amended by adding at the end the following new sentence: "The amount made available for the Civilian Community Corps Demonstration Program pursuant to this subsection shall remain available for expenditure during fiscal years 1993 and 1994."

(g) ADDITIONAL AMENDMENT REGARDING CIVILIAN COMMUNITY CORPS.—Section 158 of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653g) is amended by striking subsections (f), (g), and (h) and inserting the following new subsections:

"(f) NATIONAL SERVICE EDUCATIONAL AWARDS.—A Corps member who successfully completes a period of agreed service in the Corps may receive the national service educational award described in subtitle D if the Corps member—

- "(1) serves in an approved national service position; and
 "(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(g) ALTERNATIVE BENEFIT.—If a Corps member who successfully completes a period of agreed service in the Corps is ineligible for the national service educational award described in subtitle D, the Director may provide for the provision of a suitable alternative benefit for the Corps member."

Subtitle B—Related Provisions**SEC. 111. DEFINITIONS.**

(a) IN GENERAL.—Section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511) is amended to read as follows:

"SEC. 101. DEFINITIONS.

"For purposes of this title:

"(1) ADULT VOLUNTEER.—The term 'adult volunteer' means an individual, such as an older adult, an individual with a disability, a parent, or an employee of a business or public or private not-for-profit agency, who—

"(A) works without financial remuneration in an educational institution to assist students or out-of-school youth; and

"(B) is beyond the age of compulsory school attendance in the State in which the educational institution is located.

"(2) APPROVED NATIONAL SERVICE POSITION.—The term 'approved national service position' means a national service position designated by the Corporation as a position that includes a national service educational award described in section 147 as one of the benefits to be provided for successful service in the position.

"(3) CARRY OUT.—The term 'carry out', when used in connection with a national service program described in section 122, means the planning, establishment, operation, expansion, or replication of the program.

"(4) COMMUNITY ACTION AGENCY.—The term 'community action agency' means an entity or organization referred to in section 675(c)(2)(A) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(2)(A)).

"(5) COMMUNITY-BASED AGENCY.—The term 'community-based agency' means a private not-for-profit organization that is representative of a community and that is engaged in meeting human, educational, environmental, or public safety community needs.

"(6) CORPORATION.—The term 'Corporation' means the Corporation for National and Community Service established under section 191.

"(7) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means, with respect to an individual, an individual who is determined by the President to be low-income according to the latest available data from the Department of Commerce.

"(8) ELEMENTARY SCHOOL.—The term 'elementary school' has the same meaning given such term in section 1471(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(8)).

"(9) INDIAN.—The term 'Indian' means a person who is a member of an Indian tribe.

"(10) INDIAN LANDS.—The term 'Indian lands' means any real property owned by an Indian tribe, any real property held in trust by the United States for an Indian or Indian tribe, and any real property held by an Indian or Indian tribe that is subject to restrictions on alienation imposed by the United States.

"(11) INDIAN TRIBE.—The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(12) INDIVIDUAL WITH A DISABILITY.—Except as provided in section 175(a), the term 'individual with a disability' has the meaning given the term in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)).

"(13) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

"(14) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the same meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

"(15) NATIONAL SERVICE LAWS.—The term 'national service laws' means this Act and the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(16) OUT-OF-SCHOOL YOUTH.—The term 'out-of-school youth' means an individual who—

- "(A) has not attained the age of 27;
 "(B) has not completed college or the equivalent thereof; and
 "(C) is not enrolled in an elementary or secondary school or institution of higher education.

"(17) PARTICIPANT.—

"(A) IN GENERAL.—The term 'participant' means—

"(i) for purposes of subtitle C, an individual in an approved national service position; and

"(ii) for purposes of any other provision of this Act, an individual enrolled in a program that receives assistance under this title.

"(B) RULE.—A participant shall not be considered to be an employee of the program in which the participant is enrolled.

"(18) PARTNERSHIP PROGRAM.—The term 'partnership program' means a program through which an adult volunteer, a public or private not-for-profit agency, an institution of higher education, or a business assists a local educational agency.

"(19) PRESIDENT.—The term 'President', except when used as part of the term 'President of the United States' means the President of the Corporation appointed under section 193.

"(20) PROGRAM.—The term 'program', except when used as part of the term 'academic program', means a program described in section 111(a) (other than a program referred to in paragraph (3)(B) of such section), 117A(a), 119(b)(1), or 122(a), in paragraph (1) or (2) of section 152(b), or in section 198.

"(21) PROJECT.—The term 'project' means an activity, carried out through a program that receives assistance under this title, that results in a specific identifiable service or improvement that otherwise would not be done with existing funds, and that does not duplicate the routine services or functions of the employer to whom participants are assigned.

"(22) SCHOOL-AGE YOUTH.—The term 'school-age youth' means—

"(A) individuals between the ages of 5 and 17, inclusive; and

"(B) children with disabilities, as defined in section 602(a)(1) of the Individuals with Disabilities Education Act, who receive services under part B of such Act.

"(23) SECONDARY SCHOOL.—The term 'secondary school' has the same meaning given such term in section 1471(21) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)).

"(24) SERVICE-LEARNING.—The term 'service-learning' means a method—

"(A) under which students or participants learn and develop through active participation in thoughtfully organized service that—

"(i) is conducted in and meets the needs of a community;

"(ii) is coordinated with an elementary school, secondary school, institution of higher education, or community service program, and with the community; and

"(iii) helps foster civic responsibility; and

"(B) that—

"(i) is integrated into and enhances the academic curriculum of the students, or the educational components of the community service program in which the participants are enrolled; and

"(ii) provides structured time for the students or participants to reflect on the service experience.

"(25) SERVICE-LEARNING COORDINATOR.—The term 'service-learning coordinator' means an individual who provides services as described in subsection (a)(3) or (b) of section 111.

"(26) SERVICE SPONSOR.—The term 'service sponsor' means an organization, or other entity, that has been selected to provide a placement for a participant.

"(27) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The term also includes Palau, until such time as the Compact of Free Association is ratified.

"(28) STATE COMMISSION.—The term 'State Commission' means a State Commission on National and Community Service maintained by a State pursuant to section 178. Except when used in section 178, the term includes an alternative administrative entity for a State approved by the Corporation under such section to act in lieu of a State Commission.

"(29) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the same meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(23)).

"(30) STUDENT.—The term 'student' means an individual who is enrolled in an elementary or secondary school or institution of higher education on a full- or part-time basis."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 182(a)(2) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(2)) is amended by striking "adult volunteer and partnership" each place the term appears and inserting "partnership".

(2) Section 182(a)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(3)) is amended by striking "adult volunteer and partnership" and inserting "partnership".

(3) Section 441(c)(2) of the Higher Education Act of 1965 (42 U.S.C. 2751(c)(2)) is amended by striking "service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990" and inserting "a project, as defined in section 101(21) of the National and Community Service Act of 1990 (42 U.S.C. 12511(18))".

(4) Section 1122(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1137a(a)(2)(C)) is amended by striking "youth corps as defined in section 101(30) of the National and Community Service Act of 1990" and inserting "youth corps programs, as described in section 122(a)(1) of the National and Community Service Act of 1990".

(5) Section 1201(p) of the Higher Education Act of 1965 (20 U.S.C. 1141(p)) is amended by striking "section 101(22) of the National and Community Service Act of 1990" and inserting "section 101(24) of the National and Community Service Act of 1990 (42 U.S.C. 12511(21))".

SEC. 112. AUTHORITY TO MAKE STATE GRANTS.

Section 102 of the National and Community Service Act of 1990 (42 U.S.C. 12512) is repealed.

SEC. 113. FAMILY AND MEDICAL LEAVE.

(a) IN GENERAL.—Section 171 of the National and Community Service Act of 1990 (42 U.S.C. 12631) is amended to read as follows:

"SEC. 171. FAMILY AND MEDICAL LEAVE.

"(a) PARTICIPANTS IN PRIVATE, STATE, AND LOCAL PROJECTS.—For purposes of title I of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), if—

"(1) a participant has provided service for the period required by section 101(2)(A)(i) (29 U.S.C. 2611(2)(A)(i)), and has met the hours of service requirement of section 101(2)(A)(ii), of such Act with respect to a project; and

"(2) the service sponsor of the project is an employer described in section 101(4) of such Act (other than an employing agency within the meaning of subchapter V of chapter 63 of title 5, United States Code),

the participant shall be considered to be an eligible employee of the service sponsor.

"(b) PARTICIPANTS IN FEDERAL PROJECTS.—For purposes of subchapter V of chapter 63 of title 5, United States Code, if—

"(1) a participant has provided service for the period required by section 6381(1)(B) of such title with respect to a project; and

"(2) the service sponsor of the project is an employing agency within the meaning of such subchapter,

the participant shall be considered to be an employee of the service sponsor."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 171 of such Act and inserting the following:

"Sec. 171. Family and medical leave."

SEC. 114. REPORTS.

Section 172 of the National and Community Service Act of 1990 (42 U.S.C. 12632) is amended—

(1) in subsection (a)(3)(A), by striking "sections 177 and 113(9)" and inserting "section 177"; and

(2) in subsection (b)(1), by striking "this title" and inserting "the national service laws".

SEC. 115. NONDISCRIMINATION.

Section 175 of the National and Community Service Act of 1990 (42 U.S.C. 12635) is amended to read as follows:

"SEC. 175. NONDISCRIMINATION.

"(a) IN GENERAL.—

"(1) BASIS.—An individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate against a participant in, or member of the staff of, such project on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this title shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate on the basis of religion against a participant in such project or a member of the staff of such project who is paid with funds received under this title.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the employment, with assistance provided under this title, of any member of the staff, of a project that receives assistance under this title, who was employed with the organization operating the project on the date the grant under this title was awarded.

"(d) RULES AND REGULATIONS.—The President shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 116. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) DECERTIFICATION OF POSITIONS.—Section 176(a) of the National and Community Service Act of 1990 (42 U.S.C. 12636(a)) is amended—

(1) in paragraph (1), by inserting ", or revoke the designation of positions, related to the grant or contract, as approved national service positions," before "whenever the Commission"; and

(2) in paragraph (2)(B), by inserting "or revoked" after "terminated".

(b) CONSTRUCTION.—Section 176(e) of such Act (42 U.S.C. 12636(e)) is amended by adding before the period the following ", other than assistance provided pursuant to this Act".

(c) **GRIEVANCE PROCEDURE.**—Section 176(f) of such Act is amended to read as follows:

“(f) **GRIEVANCE PROCEDURE.**—

“(1) **IN GENERAL.**—A State or local applicant that receives assistance under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants, labor organizations, and other interested individuals concerning projects that receive assistance under this title, including grievances regarding proposed placements of such participants in such projects.

“(2) **DEADLINE FOR GRIEVANCES.**—Except for a grievance that alleges fraud or criminal activity, a grievance shall be made not later than 1 year after the date of the alleged occurrence of the event that is the subject of the grievance.

“(3) **DEADLINE FOR HEARING AND DECISION.**—

“(A) **HEARING.**—A hearing on any grievance conducted under this subsection shall be conducted not later than 30 days after the filing of such grievance.

“(B) **DECISION.**—A decision on any such grievance shall be made not later than 60 days after the filing of such grievance.

“(C) **ARBITRATION.**—

“(A) **IN GENERAL.**—

“(i) **JOINTLY SELECTED ARBITRATOR.**—In the event of a decision on a grievance that is adverse to the party who filed such grievance, or 60 days after the filing of such grievance if no decision has been reached, such party shall be permitted to submit such grievance to binding arbitration before a qualified arbitrator who is jointly selected and independent of the interested parties.

“(ii) **APPOINTED ARBITRATOR.**—If the parties cannot agree on an arbitrator, the President shall appoint an arbitrator from a list of qualified arbitrators within 15 days after receiving a request for such appointment from one of the parties to the grievance.

“(B) **DEADLINE FOR PROCEEDING.**—An arbitration proceeding shall be held not later than 45 days after the request for such arbitration proceeding, or, if the arbitrator is appointed by the President in accordance with subparagraph (A)(ii), not later than 30 days after the appointment of such arbitrator.

“(C) **DEADLINE FOR DECISION.**—A decision concerning a grievance shall be made not later than 30 days after the date such arbitration proceeding begins.

“(D) **COST.**—

“(i) **IN GENERAL.**—Except as provided in clause (ii), the cost of an arbitration proceeding shall be divided evenly between the parties to the arbitration.

“(ii) **EXCEPTION.**—If a participant, labor organization, or other interested individual described in paragraph (1) prevails under a binding arbitration proceeding, the State, local agency, public or private not-for-profit organization, or partnership of such agencies and organizations, that is a party to such grievance shall pay the total cost of such proceeding and the attorneys' fees of such participant, labor organization, or individual, as the case may be.

“(5) **PROPOSED PLACEMENT.**—If a grievance is filed regarding a proposed placement of a participant in a project that receives assistance under this title, such placement shall not be made unless the placement is consistent with the resolution of the grievance pursuant to this subsection.

“(6) **REMEDIES.**—Remedies for a grievance filed under this subsection include—

“(A) suspension of payments for assistance under this title;

“(B) termination of such payments;

“(C) prohibition of the placement described in paragraph (5); and

“(D) in a case in which the grievance involves a violation of subsection (a) or (b) of section 177

and the employer of the displaced employee is the recipient of assistance under this title—

“(i) reinstatement of the displaced employee to the position held by such employee prior to displacement;

“(ii) payment of lost wages and benefits of the displaced employee;

“(iii) reestablishment of other relevant terms, conditions, and privileges of employment of the displaced employee; and

“(iv) such equitable relief as is necessary to correct any violation of subsection (a) or (b) of section 177 or to make the displaced employee whole.

“(7) **ENFORCEMENT.**—Suits to enforce arbitration awards under this section may be brought in any district court of the United States having jurisdiction of the parties, without regard to the amount in controversy and without regard to the citizenship of the parties.”.

SEC. 117. NONDISPLACEMENT.

Section 177(b)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12637(b)(3)) is amended—

(1) in subparagraph (B), to read as follows:

“(B) **SUPPLANTATION OF HIRING.**—A participant in any program receiving assistance under this title shall not perform any services or duties, or engage in activities, that—

“(i) will supplant the hiring of employed workers; or

“(ii) are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.”; and

(2) in subparagraph (C)(iii), to read as follows:

“(iii) employee who—

“(I) is subject to a reduction in force; or

“(II) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.”.

SEC. 118. EVALUATION.

Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “this title” and inserting “the national service laws”; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking “for purposes of the reports required by subsection (j),” and inserting “with respect to the programs authorized under subtitle C”; and

(ii) in subparagraph (A), by striking “older American volunteer programs” and inserting “National Senior Volunteer Corps programs”;

(2) in subsection (g)—

(A) in the matter preceding paragraph (1), by striking “subtitle D” and inserting “subtitle C”; and

(B) in paragraphs (3) and (9), by striking “older American volunteer programs” and inserting “National Senior Volunteer Corps programs”;

(3) by striking subsections (i) and (j); and

(4) by adding at the end the following:

“(i) **INDEPENDENT EVALUATION AND REPORT OF DEMOGRAPHICS OF NATIONAL SERVICE PARTICIPANTS AND COMMUNITIES.**—

“(1) **INDEPENDENT EVALUATION.**—

“(A) **IN GENERAL.**—The Corporation shall, on an annual basis, arrange for an independent evaluation of the programs assisted under subtitle C.

“(B) **PARTICIPANTS.**—

“(i) **IN GENERAL.**—The entity conducting such evaluation shall determine the demographic characteristics of the participants in such programs.

“(ii) **CHARACTERISTICS.**—The entity shall determine, for the year covered by the evaluation, the total number of participants in the pro-

grams, and the number of participants within the programs in each State, by sex, age, economic background, education level, ethnic group, disability classification, and geographic region.

“(iii) **CATEGORIES.**—The Corporation shall determine appropriate categories for analysis of each of the characteristics referred to in clause (ii) for purposes of such an evaluation.

“(C) **COMMUNITIES.**—In conducting the evaluation, the entity shall determine the amount of assistance provided under section 121 during the year that has been expended for projects conducted under the programs in areas described in section 133(c)(6).

“(2) **REPORT.**—The entity conducting the evaluation shall submit a report to the President, Congress, the Corporation, and each State Commission containing the results of the evaluation—

“(A) with respect to the evaluation covering the year beginning on the date of enactment of this subsection, not later than 18 months after such date; and

“(B) with respect to the evaluation covering each subsequent year, not later than 18 months after the first day of each such year.”.

SEC. 119. ENGAGEMENT OF PARTICIPANTS.

Section 180 of the National and Community Service Act of 1990 (42 U.S.C. 12640) is amended by striking “post-service benefits” and inserting “national service educational awards”.

SEC. 120. CONTINGENT EXTENSION.

(a) **IN GENERAL.**—Section 181 of the National and Community Service Act of 1990 (42 U.S.C. 12641) is amended to read as follows:

“SEC. 181. CONTINGENT EXTENSION.

“Section 414 of the General Education Provisions Act (20 U.S.C. 1226a) shall apply to this Act.”.

(b) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to sections 181 of such Act and inserting the following:

“Sec. 181. Contingent extension.”.

SEC. 121. AUDITS.

(a) **IN GENERAL.**—Section 183 of the National and Community Service Act of 1990 (42 U.S.C. 12643) is amended to read as follows:

“SEC. 183. AUDITS.

“For purposes of the application of chapter 75 of title 31, United States Code (commonly known as the ‘Single Audit Act of 1984’) to State and local governments that receive financial assistance under this Act—

“(1) each program through which the State or local government receives such assistance shall be deemed to be a major Federal assistance program;

“(2) each audit conducted under such chapter with respect to a program shall be conducted annually;

“(3) each audit conducted under such chapter shall be conducted in accordance with the requirements of such chapter and the requirements of the regulations prescribed pursuant to section 7505 of such title, and with such requirements as the Comptroller General may specify; and

“(4) the provisions of section 422 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5062) shall apply with respect to maintenance of books, documents, papers, and records for such audits, in the same manner and to the same extent as such provisions apply to books, documents, papers, and records maintained for audits under such Act.”.

(b) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to section 183 of such Act and inserting the following:

"Sec. 183. Audits."

SEC. 122. REPEALS.

(a) *IN GENERAL.*—Subtitle F of title I of the National and Community Service Act of 1990 (42 U.S.C. 12631 et seq.) is amended by repealing sections 185 and 186.

(b) *TABLE OF CONTENTS.*—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to sections 185 and 186 of such Act.

TITLE II—ORGANIZATION

SEC. 201. STATE COMMISSIONS ON NATIONAL AND COMMUNITY SERVICE.

(a) *COMPOSITION AND DUTIES OF STATE COMMISSIONS.*—Subtitle F of title I of the National and Community Service Act of 1990 is amended by striking section 178 (42 U.S.C. 12638) and inserting the following new section:

"SEC. 178. STATE COMMISSIONS ON NATIONAL AND COMMUNITY SERVICE.

"(a) EXISTENCE REQUIRED.—

"(1) *STATE COMMISSION.*—Except as provided in paragraph (2), to be eligible to receive a grant or allotment under subtitle B or C or to receive a distribution of approved national service positions under subtitle C, a State shall maintain a State Commission on National and Community Service that satisfies the requirements of this section.

"(2) *ALTERNATIVE ADMINISTRATIVE ENTITY.*—The chief executive officer of a State may apply to the Corporation for approval to use an alternative administrative entity to carry out the duties otherwise entrusted to a State Commission under this Act. The chief executive officer shall ensure that any alternative administrative entity used in lieu of a State Commission still provides for the individuals described in paragraph (1), and some of the individuals described in paragraph (2), of subsection (c) to play a significant policymaking role in carrying out the duties otherwise entrusted to a State Commission, including the submission of applications on behalf of the State under sections 117B and 130.

"(b) *APPOINTMENT AND SIZE.*—Except as provided in subsection (c)(3), the members of a State Commission for a State shall be appointed by the chief executive officer of the State. A State Commission shall consist of not less than 7 voting members and not more than 25 voting members.

"(c) *COMPOSITION AND MEMBERSHIP.*—

"(1) *REQUIRED MEMBERS.*—The State Commission for a State shall include as voting members at least one representative from each of the following categories:

"(A) Individuals between the ages of 16 and 25 who are participants or supervisors in programs.

"(B) National service programs, such as youth corps programs.

"(C) School-based or community-based programs for school-age youth.

"(D) Programs in which older adults are participants.

"(E) Local and State governmental entities in the State, including the State educational agency (from which at least one such member shall be appointed).

"(F) Local labor organizations.

"(2) *SOURCES OF OTHER MEMBERS.*—The State Commission for a State may include as voting members the following:

"(A) Representatives of community-based organizations or community-based agencies, including community action agencies.

"(B) Members selected from among participants in service programs who are youths.

"(C) Members selected from among local educators.

"(D) Members selected from among experts in the delivery of human, educational, environmental, or public safety services to communities and persons.

"(E) Representatives of businesses and business groups.

"(F) Representatives of Indian tribes.

"(G) Representatives of groups serving economically disadvantaged individuals.

"(H) Members selected from among out-of-school youth or other at-risk youth.

"(I) Members selected from among older adults who are volunteers or participants in national service programs.

"(3) *CORPORATION REPRESENTATIVE.*—The representative of the Corporation designated under section 195(b) for a State shall be a voting member of the State Commission or alternative administrative entity for that State.

"(4) *EX OFFICIO STATE REPRESENTATIVES.*—The chief executive officer of a State shall appoint, as an ex officio nonvoting member of the State Commission for the State, the Corporation employee responsible for volunteer service programs in the State, if such employee is not the representative described in paragraph (3). The chief executive officer may appoint, as ex officio nonvoting members of the State Commission for the State, representatives selected from among officers and employees of State agencies operating community service, youth service, education, social service, senior service, and job training programs.

"(5) *LIMITATION ON NUMBER OF STATE EMPLOYEES AS MEMBERS.*—The number of voting members of a State Commission selected under paragraph (1) or (2) who are officers or employees of the State may not exceed 25 percent (reduced to the nearest whole number) of the total membership of the State Commission.

"(d) *MISCELLANEOUS MATTERS.*—

"(1) *MEMBERSHIP BALANCE.*—The chief executive officer of a State shall ensure, to the maximum extent practicable, that the membership of the State Commission for the State is diverse with respect to race, ethnicity, age, gender, and disability characteristics. Not more than 50 percent of the voting members of a State Commission, plus one additional member, may be from the same political party.

"(2) *TERMS.*—Each member of the State Commission for a State shall serve for a term of 3 years, except that the chief executive officer of a State shall initially appoint a portion of the members to terms of 1 year and 2 years.

"(3) *VACANCIES.*—As vacancies occur on a State Commission, new members shall be appointed by the chief executive officer of the State and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the State Commission.

"(4) *COMPENSATION.*—A member of a State Commission or alternative administrative entity shall not receive any additional compensation by reason of service on the State Commission or alternative administrative entity, except that the State may authorize the reimbursement of travel expenses, including a per diem in lieu of subsistence, in the same manner as other employees serving intermittently in the service of the State.

"(5) *CHAIRPERSON.*—The voting members of a State Commission shall elect one of the voting members to serve as chairperson of the State Commission.

"(e) *DUTIES OF A STATE COMMISSION.*—The State Commission or alternative administrative entity for a State shall be responsible for the following duties:

"(1) Preparation of a national service plan for the State that—

"(A) covers a 3-year period;

"(B) is updated annually;

"(C) contains such information as the State Commission or alternative administrative entity considers to be appropriate or as the Corporation may require; and

"(D) ensures outreach to diverse community-based agencies that serve underrepresented populations, by—

"(i) using established networks, and registries, at the State level; or

"(ii) establishing such networks and registries.

"(2) Preparation of the applications of the State under sections 117B and 130 for financial assistance, in such a manner as to ensure that any decision regarding whether to include a program in the application shall be made on the basis of the criteria described in section 133(c), applied in a fair and equitable manner by an impartial decisionmaker.

"(3) Assistance in the preparation of the application of the State educational agency for assistance under section 113.

"(4) Preparation of the application of the State under section 130 for the approval of service positions that include the national service educational award described in subtitle D.

"(5) Assistance in the provision of health care and child care benefits under section 140 to participants in national service programs that receive assistance under section 121.

"(6) Development of a State system for the recruitment and placement of participants in national service programs that receive assistance under section 121 and dissemination of information concerning national service programs that receive assistance and approved national service positions.

"(7) Administration of the grant program in support of national service programs that is conducted by the State using assistance provided to the State under section 121, including selection, oversight, and evaluation of grant recipients.

"(8) Development of projects, training methods, curriculum materials, and other materials and activities related to national service programs that receive assistance directly from the Corporation (to be made available in a case in which such a program requests such a project, method, material, or activity) or from the State using assistance provided under section 121, for use by programs that request such projects, methods, materials, and activities.

"(f) *ACTIVITY INELIGIBLE FOR ASSISTANCE.*—A State Commission or alternative administrative entity may not directly carry out any national service program that receives assistance under section 121.

"(g) *DELEGATION.*—Subject to such requirements as the Corporation may prescribe, a State Commission may delegate nonpolicymaking duties to a State agency or public or private not-for-profit organization.

"(h) *APPROVAL OF STATE COMMISSION OR ALTERNATIVE.*—

"(1) *SUBMISSION TO CORPORATION.*—The chief executive officer for a State shall notify the Corporation of the establishment or designation of the State Commission or use of an alternative administrative entity for the State. The notification shall include a description of—

"(A) the composition and membership of the State Commission or alternative administrative entity; and

"(B) the authority of the State Commission or alternative administrative entity regarding national service activities carried out by the State.

"(2) *APPROVAL OF ALTERNATIVE ADMINISTRATIVE ENTITY.*—Any designation of a State Commission or use of an alternative administrative entity to carry out the duties of a State Commission shall be subject to the approval of the Corporation.

"(3) *REJECTION.*—The Corporation may reject a State Commission if the Corporation determines that the composition, membership, or duties of the State Commission do not comply with the requirements of this section. The Corporation shall reject a request to use an alternative

administrative entity in lieu of a State Commission if the Corporation determines that use of the alternative administrative entity does not allow the individuals described in paragraph (1), and some of the individuals described in paragraph (2), of subsection (c) to play a significant policymaking role in carrying out the duties otherwise entrusted to a State Commission. If the Corporation rejects a State Commission or alternative administrative entity under this paragraph, the Corporation shall promptly notify the State of the reasons for the rejection.

"(4) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State notified under paragraph (3) with a reasonable opportunity to revise the rejected State Commission or alternative administrative entity. At the request of the State, the Corporation shall provide technical assistance to the State as part of the revision process. The Corporation shall promptly reconsider any resubmission of a notification under paragraph (1) or application to use an alternative administrative entity under paragraph (2).

"(5) SUBSEQUENT CHANGES.—This subsection shall also apply to any change in the composition or duties of a State Commission or an alternative administrative entity made after approval of the State Commission or the alternative administrative entity.

"(i) COORDINATION.—

"(1) COORDINATION WITH OTHER STATE AGENCIES.—The State Commission or alternative administrative entity for a State shall coordinate the activities of the Commission or entity under this Act with the activities of other State agencies that administer Federal financial assistance programs under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) or other appropriate Federal financial assistance programs.

"(2) COORDINATION WITH VOLUNTEER SERVICE PROGRAMS.—

"(A) IN GENERAL.—The State Commission or alternative administrative entity for a State shall coordinate functions of the Commission or entity (including recruitment, public awareness, and training activities) with such functions of any division of ACTION, or of the Corporation, that carries out volunteer service programs in the State.

"(B) AGREEMENT.—In coordinating functions under this paragraph, such Commission or entity, and such division, may enter into an agreement to—

- "(i) carry out such a function jointly;
- "(ii) to assign responsibility for such a function to the Commission or entity; or
- "(iii) to assign responsibility for such a function to the division.

"(C) INFORMATION.—The State Commission or alternative entity for a State, and the head of any such division, shall exchange information about—

"(i) the programs carried out in the State by the Commission, entity, or division, as appropriate; and

"(ii) opportunities to coordinate activities.

"(j) LIABILITY.—

"(1) LIABILITY OF STATE.—Except as provided in paragraph (2)(B), a State shall agree to assume liability with respect to any claim arising out of or resulting from any act or omission by a member of the State Commission or alternative administrative entity of the State, within the scope of the service of the member on the State Commission or alternative administrative entity.

"(2) OTHER CLAIMS.—

"(A) IN GENERAL.—A member of the State Commission or alternative administrative entity shall have no personal liability with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the State Commission or alternative administrative entity.

"(B) LIMITATION.—This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the State Commission or alternative administrative entity.

"(3) EFFECT ON OTHER LAW.—This subsection shall not be construed—

"(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such service;

"(B) to affect any other right or remedy against the State under applicable law, or against any person other than a member of the State Commission or alternative administrative entity; or

"(C) to limit or alter in any way the immunities that are available under applicable law for State officials and employees not described in this subsection."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 178 and inserting the following new item:

"Sec. 178. State Commissions on National and Community Service."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) TRANSITIONAL PROVISIONS.—

(1) USE OF ALTERNATIVES TO STATE COMMISSION.—If a State does not have a State Commission on National and Community Service that satisfies the requirements specified in section 178 of the National and Community Service Act of 1990, as amended by subsection (a), the Corporation for National and Community Service may authorize the chief executive of the State to use an existing agency of the State to perform the duties otherwise reserved to a State Commission under subsection (e) of such section.

(2) APPLICATION OF SUBSECTION.—This subsection shall apply only during the 1-year period beginning on the date of the enactment of this Act.

SEC. 202. INTERIM AUTHORITIES OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AND ACTION AGENCY.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Subtitle G of title 1 of the National and Community Service Act of 1990 (42 U.S.C. 12651) is amended to read as follows:

"Subtitle G—Corporation for National and Community Service

"SEC. 191. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

"There is established a Corporation for National and Community Service that shall administer the programs established under this Act. The Corporation shall be a Government corporation, as defined in section 103 of title 5, United States Code.

"SEC. 192. BOARD OF DIRECTORS.

"(a) COMPOSITION.—

"(1) IN GENERAL.—There shall be in the Corporation a Board of Directors (referred to in this subtitle as the 'Board') that shall be composed of—

"(A) 15 members, including an individual between the ages of 16 and 25 who—

"(i) has served in a school-based or community-based service-learning program; or

"(ii) is a participant or a supervisor in a program,

to be appointed by the President of the United States, by and with the advice and consent of the Senate;

"(B) the President of the Corporation, who shall serve as an ex officio nonvoting member; and

"(C) the ex officio nonvoting members described in paragraph (3).

"(2) QUALIFICATIONS.—To the maximum extent practicable, the President of the United States shall appoint members—

"(A) who have extensive experience in volunteer or service activities, such as—

"(i) activities funded under the national service laws; and

"(ii) Federal financial assistance activities, such as—

"(I) activities under the Head Start Act (42 U.S.C. 9831 et seq.);

"(II) activities under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.); or

"(III) antipoverty activities under other Federal law;

that have a volunteer or service focus;

"(B) who represent a broad range of viewpoints;

"(C) who are experts in the delivery of human, educational, environmental, or public safety services;

"(D) that include at least one representative of local educators and at least one representative of community-based agencies;

"(E) so that the Board shall be diverse with respect to race, ethnicity, age, gender, and disability characteristics; and

"(F) so that no more than 8 appointed members of the Board are from a single political party.

"(3) EX OFFICIO MEMBERS.—The Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Housing and Urban Development, the Secretary of Defense, the Attorney General, the Director of the Peace Corps, and the Administrator of the Environmental Protection Agency shall serve as ex officio nonvoting members of the Board.

"(b) OFFICERS.—

"(1) CHAIRPERSON AND VICE CHAIRPERSON.—The Board shall elect a Chairperson and a Vice Chairperson from among its membership.

"(2) OTHER OFFICERS.—The Board may elect from among its membership such additional officers of the Board as the Board determines to be appropriate.

"(c) TERMS.—Each appointed member of the Board shall serve for a term of 3 years, except that 5 of the members first appointed to the Board after the date of enactment of this section shall serve for a term of 1 year and 5 shall serve for a term of 2 years, as designated by the President of the United States.

"(d) VACANCIES.—As vacancies occur on the Board, new members shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

"SEC. 192A. AUTHORITIES AND DUTIES OF THE BOARD OF DIRECTORS.

"(a) MEETINGS.—The Board shall meet not less than 3 times each year. The Board shall hold additional meetings at the call of the Chairperson of the Board, or if 6 members of the Board request such meetings in writing.

"(b) QUORUM.—A majority of the appointed members of the Board shall constitute a quorum.

"(c) AUTHORITIES OF OFFICERS.—

"(1) CHAIRPERSON.—The Chairperson of the Board may call and conduct meetings of the Board.

"(2) VICE CHAIRPERSON.—The Vice Chairperson of the Board may conduct meetings of the Board in the absence of the Chairperson.

"(d) EXPENSES.—While away from their homes or regular places of business on the business of the Board, members of such Board shall be allowed travel expenses, including per diem in lieu

of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

“(e) SPECIAL GOVERNMENT EMPLOYEES.—For purposes of the provisions of chapter 11 of part I of title 18, United States Code, and any other provision of Federal law, a member of the Board (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

“(f) STATUS OF MEMBERS.—

“(1) TORT CLAIMS.—For the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a member of the Board shall be considered to be a Federal employee.

“(2) OTHER CLAIMS.—A member of the Board shall have no personal liability under Federal law with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the Board, in connection with any transaction involving the provision of financial assistance by the Corporation. This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the Board.

“(3) EFFECT ON OTHER LAW.—This subsection shall not be construed—

“(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such transactions;

“(B) to affect any other right or remedy against the Corporation, against the United States under applicable law, or against any person other than a member of the Board participating in such transactions; or

“(C) to limit or alter in any way the immunities that are available under applicable law for Federal officials and employees not described in this subsection.

“(g) DUTIES.—The Board shall—

“(1) review and approve the strategic plan described in section 193A(b)(1), and annual updates of the plan;

“(2) review and approve the proposal described in section 193A(b)(2)(A), with respect to the grants, allotments, contracts, financial assistance, payment, and positions referred to in such section;

“(3) review and approve the proposal described in section 193A(b)(3)(A), regarding the regulations, standards, policies, procedures, programs, and initiatives referred to in such section;

“(4) review and approve the evaluation plan described in section 193A(b)(4)(A);

“(5)(A) review, and advise the President regarding, the actions of the President with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

“(B) inform the President of any aspects of the actions of the President that are not in compliance with the annual strategic plan referred to in paragraph (1), the proposals referred to in paragraphs (2) and (3), or the plan referred to in paragraph (4), or are not consistent with the objectives of this Act;

“(6) receive, and act on, the reports issued by the Inspector General of the Corporation;

“(7) make recommendations relating to a program of research for the Corporation with respect to national and community service programs, including service-learning programs;

“(8) advise the President of the United States and the Congress concerning developments in national and community service that merit the attention of the President of the United States and the Congress; and

“(9) ensure effective dissemination of information regarding the programs and initiatives of the Corporation.

“(h) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.

“SEC. 193. PRESIDENT.

“(a) APPOINTMENT.—The Corporation shall be headed by an individual who shall serve as President of the Corporation, and who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

“(b) COMPENSATION.—The President shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

“(c) REGULATIONS.—The President shall prescribe such rules and regulations as are necessary or appropriate to carry out this Act.

“SEC. 193A. AUTHORITIES AND DUTIES OF THE PRESIDENT.

“(a) GENERAL POWERS AND DUTIES.—The President shall be responsible for the exercise of the powers and the discharge of the duties of the Corporation that are not reserved to the Board, and shall have authority and control over all personnel of the Corporation, except as provided in section 194(b)(4).

“(b) DUTIES.—In addition to the duties conferred on the President under any other provision of this Act, the President shall—

“(1) prepare and submit to the Board a strategic plan every 3 years, and annual updates of the plan, for the Corporation with respect to the major functions and operations of the Corporation;

“(2)(A) prepare and submit to the Board a proposal with respect to such grants and allotments, contracts, other financial assistance, and designation of positions as approved national service positions, as are necessary or appropriate to carry out this Act; and

“(B) after receiving and reviewing an approved proposal under section 192A(g)(2), make such grants and allotments, enter into such contracts, award such other financial assistance, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of financial assistance otherwise authorized under this Act, with necessary adjustments on account of overpayments and underpayments), and designate such positions as approved national service positions as are necessary or appropriate to carry out this Act;

“(3)(A) prepare and submit to the Board a proposal regarding, the regulations established under section 195(a)(4)(B)(i), and such other standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

“(B) after receiving and reviewing an approved proposal under section 192A(g)(3)—

“(i) establish such standards, policies, and procedures as are necessary or appropriate to carry out this Act; and

“(ii) establish and administer such programs and initiatives as are necessary or appropriate to carry out this Act;

“(4)(A) prepare and submit to the Board a plan for the evaluation of programs established under this Act, in accordance with section 179; and

“(B) after receiving an approved proposal under section 192A(g)(4)—

“(i) establish measurable performance goals and objectives for such programs, in accordance with section 179; and

“(ii) provide for periodic evaluation of such programs to assess the manner and extent to which the programs achieve the goals and objectives, in accordance with such section;

“(5) consult with appropriate Federal agencies in administering the programs and initiatives;

“(6) suspend or terminate payments and positions described in paragraph (2)(B), in accordance with section 176;

“(7) prepare and submit to the Board an annual report, and such interim reports as may be necessary, describing the major actions of the President with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives;

“(8) inform the Board of, and provide an explanation to the Board regarding, any substantial differences between—

“(A) the actions of the President; and

“(B)(i) the strategic plan approved by the Board under section 192A(g)(1);

“(ii) the proposals approved by the Board under paragraph (2) or (3) of section 192A(g); or

“(iii) the evaluation plan approved by the Board under section 192A(g)(4); and

“(9) prepare and submit to the appropriate committees of Congress an annual report, and such interim reports as may be necessary, describing—

“(A) the services referred to in paragraph (1), and the money and property referred to in paragraph (2), of section 196(a) that have been accepted by the Corporation;

“(B) the manner in which the Corporation used or disposed of such services, money, and property; and

“(C) information on the results achieved by the programs funded under this Act during the year preceding the year in which the report is prepared.

“(c) POWERS.—In addition to the authority conferred on the President under any other provision of this Act, the President may—

“(1) establish, alter, consolidate, or discontinue such organizational units or components within the Corporation as the President considers necessary or appropriate, consistent with Federal law, and shall, to the maximum extent practicable, consolidate such units or components of the division of the Corporation that carries out volunteer service programs and the division of the Corporation that carries out financial assistance programs as may be appropriate to enable the two divisions to coordinate common support functions, such as recruiting, public awareness, or training functions;

“(2) with the approval of the President of the United States, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act;

“(3) with their consent, utilize the services and facilities of Federal agencies with or without reimbursement, and, with the consent of any State, or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions without reimbursement;

“(4) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act, including expenditure for construction, repairs, and capital improvements;

“(5) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as the President shall determine to be appropriate to public agencies, private organizations, and the general public;

“(6) collect or compromise all obligations to or held by the President and all legal or equitable rights accruing to the President in connection with the payment of obligations in accordance with chapter 37 of title 31, United States Code (commonly known as the ‘Federal Claims Collection Act of 1966’);

“(7) expend funds made available for purposes of this Act, without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the President;

"(8) file a civil action in any court of record of a State having general jurisdiction or in any district court of the United States, with respect to a claim arising under this Act;

"(9) exercise the authorities of the Corporation under section 196; and

"(10) consolidate the reports to Congress required under this Act, and the report required under section 9106 of title 31, United States Code, into a single report, and submit the report to Congress on an annual basis;

"(11) generally perform such functions and take such steps consistent with the objectives and provisions of this Act, as the President determines to be necessary or appropriate to carry out such provisions.

"(d) DELEGATION.—

"(1) DEFINITION.—As used in this subsection, the term 'function' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

"(2) IN GENERAL.—Except as otherwise prohibited by law or provided in this Act, the President may delegate any function under this Act, and authorize such successive redelegations of such function as may be necessary or appropriate. No delegation of a function by the President under this subsection or under any other provision of this Act shall relieve such President of responsibility for the administration of such function.

"(3) FUNCTION OF BOARD.—The President may not delegate a function of the Board without the permission of the Board.

"(e) ACTIONS.—In an action described in subsection (c)(8)—

"(1) a district court referred to in such subsection shall have jurisdiction of such a civil action without regard to the amount in controversy;

"(2) such an action brought by the President shall survive notwithstanding any change in the person occupying the office of President or any vacancy in that office;

"(3) no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the President or the Board or property under the control of the President or the Board; and

"(4) nothing in this section shall be construed to except litigation arising out of activities under this Act from the application of sections 509, 517, 547, and 2679 of title 28, United States Code.

"SEC. 194. OFFICERS.

"(a) MANAGING DIRECTORS.—

"(1) IN GENERAL.—There shall be in the Corporation 2 Managing Directors, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and who shall report to the President.

"(2) COMPENSATION.—The Managing Directors shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) DUTIES.—

"(A) VOLUNTEER SERVICE PROGRAMS.—One of the Managing Directors shall be primarily responsible for the volunteer service programs carried out by the Corporation.

"(B) INVESTMENT PROGRAMS.—The other Managing Director shall be primarily responsible for the financial assistance programs carried out by the Corporation.

"(b) INSPECTOR GENERAL.—

"(1) OFFICE.—There shall be in the Corporation an Office of the Inspector General.

"(2) APPOINTMENT.—The Office shall be headed by an Inspector General, appointed in accordance with the Inspector General Act of 1978.

"(3) COMPENSATION.—The Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(4) PERSONNEL.—Notwithstanding paragraphs (7) and (8) of section 6(a) of the Inspector General Act of 1978, the Inspector General may—

"(A) appoint and determine the compensation of such officers and employees in accordance with section 195(a)(4); and

"(B) procure the temporary and intermittent services of and compensate such experts and consultants, in accordance with section 3109(b) of title 5, United States Code,

as may be necessary to carry out the functions, powers, and duties of the Inspector General.

"(c) CHIEF FINANCIAL OFFICER.—

"(1) OFFICE.—There shall be in the Corporation a Chief Financial Officer, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

"(2) COMPENSATION.—The Chief Financial Officer shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) DUTIES.—The Chief Financial Officer shall—

"(A) report directly to the President regarding financial management matters;

"(B) oversee all financial management activities relating to the programs and operations of the Corporation;

"(C) develop and maintain an integrated accounting and financial management system for the Corporation, including financial reporting and internal controls;

"(D) develop and maintain any joint financial management systems with the Department of Education necessary to carry out the programs of the Corporation; and

"(E) direct, manage, and provide policy guidance and oversight of the financial management personnel, activities, and operations of the Corporation.

"(4) ACCESS.—The Chief Financial Officer shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material that are the property of the Corporation or that are available to the Corporation, and that relate to the duties of the Chief Financial Officer with respect to the Corporation.

"SEC. 195. EMPLOYEES, CONSULTANTS, AND OTHER PERSONNEL.

"(a) EMPLOYEES.—

"(1) IN GENERAL.—The President may appoint and determine the compensation of such employees as the President determines to be necessary to carry out the duties of the Corporation.

"(2) CIVIL SERVICE PROTECTIONS.—The provisions of title 5, United States Code, shall apply with respect to the Corporation and the employees of the Corporation, except that the President may appoint and determine the compensation of employees under this subsection without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates (other than the provisions described in clauses (iii) and (iv) of paragraph (4)(B)).

"(3) APPOINTMENT IN THE COMPETITIVE SERVICE AFTER EMPLOYMENT IN THE CORPORATION.—

"(A) EMPLOYEES WITH NOT LESS THAN 3 YEARS OF EMPLOYMENT.—If an employee, other than a representative described in subsection (b), is separated from the Corporation (other than by removal for cause), and has been continuously employed by the Corporation for a period of not less than 3 years, such period shall be treated as a period of service in the competitive service for purposes of chapter 33 of title 5, United States Code.

"(B) EMPLOYEES WITH NOT LESS THAN 1 BUT LESS THAN 3 YEARS OF EMPLOYMENT.—If an employee, other than a representative described in subsection (b), is separated from the Corporation (other than by removal for cause), and has been continuously employed by the Corporation for a period of not less than 1 year, but less than 3 years, such period shall be treated as a period of service in the competitive service for purposes of chapter 33 of title 5, United States Code, until the date that is 3 years after the date of separation.

"(C) DEFINITION.—As used in this paragraph, the term 'competitive service' has the meaning given the term in section 2102 of title 5, United States Code.

"(4) APPOINTMENT AND COMPENSATION.—

"(A) IN GENERAL.—The Chairperson shall appoint and determine the compensation of employees referred to in paragraph (1), in accordance with the appointment and compensation systems referred to in subparagraph (B).

"(B) CORPORATION APPOINTMENT AND COMPENSATION SYSTEMS.—

"(i) ESTABLISHMENT OF SYSTEM.—The President, after reviewing the approved proposal of the Board under section 192A(g)(3) and after obtaining the approval of the Director of the Office of Personnel Management, shall issue regulations establishing appointment and compensation systems for the Corporation.

"(ii) CONTENT AND CONSIDERATIONS.—In issuing such regulations, the President shall—

"(I) establish appropriate appointment and compensation mechanisms for the representatives described in subsection (b); and

"(II) take into consideration the need for flexibility in such a system.

"(iii) APPOINTMENT SYSTEM.—The appointment system shall require that the appointment of such an employee be—

"(I) on the basis of the qualifications of applicants and the requirements of the position, in accordance with the merit system principles set forth in section 2301(b) of title 5, United States Code; and

"(II) through a competitive process.

"(iv) COMPENSATION SYSTEM.—

"(I) IN GENERAL.—The compensation system shall include a scheme for the classification of positions in the Corporation. The system shall require that the compensation of such an employee be determined based in part on the job performance of the employee, and in a manner consistent with the principles described in section 5301 of title 5, United States Code.

"(II) LIMITATION ON EMPLOYEE COMPENSATION.—The rate of compensation for each employee compensated through the system shall not exceed the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(III) LIMITATION ON COMPENSATION OF REPRESENTATIVE.—The rate of pay for a representative described in subsection (b) shall not exceed the maximum rate of basic pay payable for grade GS-13 of the General Schedule under section 5332 of title 5, United States Code.

"(5) RETENTION OF CIVIL SERVICE RIGHTS.—

"(A) RETENTION OF COMPETITIVE SERVICE RIGHTS.—An individual who—

"(i) was an employee of ACTION or the Commission on National and Community Service who served under a permanent appointment on the day before the date of enactment of this subtitle in—

"(I) a position in the competitive service; or

"(II) a career appointee position in the Senior Executive Service;

"(ii) is transferred to the Corporation under section 202(c) or 203(c) of the National and Community Service Trust Act of 1993; and

"(iii) accepts a position established under paragraph (4) in the Corporation,

shall be appointed to a position in the competitive service of the Corporation.

"(B) DURATION OF POSITION IN COMPETITIVE SERVICE.—During the period of employment of such an employee in a position, the position shall be a position in the competitive service. After such period of employment, the position shall be a position in the excepted service unless the President appoints an individual to such position in accordance with the provisions described in subsection (a)(2).

"(C) ESTABLISHMENT OF POSITIONS.—With respect to a position vacancy or a position to be established in the Corporation, the President—

"(i) shall select the individual to be appointed to such position in accordance with the regulations promulgated under paragraph (4);

"(ii) if the individual to be appointed to the position is an individual described in subparagraph (A), shall establish the position as a position in the competitive service; and

"(iii) if the individual to be so appointed is not an individual described in subparagraph (A)—

"(I) may establish the position as a position in the excepted service; and

"(II) in an exceptional case in which the individual, immediately prior to accepting the position, served under a permanent appointment in a position described in subclause (I) or (II) of subparagraph (A)(i), may establish the position as a position in the competitive service,

in any case in which an individual described in subparagraph (A) is an employee of the Corporation and is eligible to be appointed to such position.

"(D) DEFINITIONS.—As used in this paragraph:

"(i) COMPETITIVE SERVICE.—The term 'competitive service' has the meaning given the term in section 2102 of title 5, United States Code.

"(ii) EXCEPTED SERVICE.—The term 'excepted service' has the meaning given the term in section 2103 of title 5, United States Code.

"(iii) SENIOR EXECUTIVE SERVICE.—The term 'Senior Executive Service' has the meaning given the term in section 2101a of title 5, United States Code.

"(b) CORPORATION REPRESENTATIVE IN EACH STATE.—

"(1) DESIGNATION OF REPRESENTATIVE.—The Corporation shall designate 1 employee of the Corporation for each State or group of States to serve as the representative of the Corporation in the State or States and to assist the Corporation in carrying out the activities described in this Act in the State or States.

"(2) DUTIES.—The representative designated under this subsection for a State or group of States shall serve as the liaison between—

"(A) the Corporation and the State Commission that is established in the State or States;

"(B) the Corporation and any subdivision of a State, Indian tribe, public or private nonprofit organization, or institution of higher education, in the State or States, that is awarded a grant under section 121 directly from the Corporation; and

"(C) the State Commission and the Corporation employee responsible for volunteer service programs in the State, if the employee is not the representative described in paragraph (1) for the State.

"(3) MEMBER OF STATE COMMISSION.—The representative designated under this subsection for a State or group of States shall also serve as a voting member of the State Commission established in the State or States.

"(c) CONSULTANTS.—The President may procure the temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code.

"(d) DETAILS OF PERSONNEL.—The head of any Federal department or agency may detail

on a reimbursable basis, or on a nonreimbursable basis for not to exceed 180 calendar days during any fiscal year, as agreed upon by the President and the head of the Federal agency, any of the personnel of that department or agency to the Corporation to assist the Corporation in carrying out the duties of the Corporation under this Act. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"(e) ADVISORY COMMITTEES.—

"(1) ESTABLISHMENT.—The President, acting upon the recommendation of the Board, may establish advisory committees in the Corporation to advise the Board with respect to national service issues, such as the type of programs to be established or assisted under the national service laws, priorities and criteria for such programs, and methods of conducting outreach for, and evaluation of, such programs.

"(2) COMPOSITION.—Such an advisory committee shall be composed of members appointed by the President, with such qualifications as the President may specify.

"(3) EXPENSES.—Members of such an advisory committee may be allowed travel expenses as described in section 192A(d).

"(4) STAFF.—The President is authorized to appoint and fix the compensation of such staff as the President determines to be necessary to carry out the functions of the advisory committee, in accordance with subsection (a)(2), and without regard to the selection and compensation systems described in subsection (a)(4)(B). Such compensation shall not exceed the rate described in subsection (a)(4)(B)(iv)(III).

"SEC. 196. ADMINISTRATION.

"(a) DONATIONS.—

"(1) SERVICES.—

"(A) VOLUNTEERS.—Notwithstanding section 1342 of title 31, United States Code, the Corporation may solicit and accept the voluntary services of individuals to assist the Corporation in carrying out the duties of the Corporation under this Act, and may provide to such individuals the travel expenses described in section 192A(d).

"(B) LIMITATION.—Such a volunteer shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that—

"(i) for the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a volunteer under this subtitle shall be considered to be a Federal employee; and

"(ii) for the purposes of subchapter 1 of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, volunteers under this subtitle shall be considered to be employees, as defined in section 8101(1)(B) of title 5, United States Code, and the provisions of such subchapter shall apply.

"(C) INHERENTLY GOVERNMENTAL FUNCTION.—

"(i) IN GENERAL.—Such a volunteer shall not carry out an inherently governmental function.

"(ii) REGULATIONS.—The President shall promulgate regulations to carry out this subparagraph.

"(iii) INHERENTLY GOVERNMENTAL FUNCTION.—As used in this subparagraph, the term 'inherently governmental function' means any activity that is so intimately related to the public interest as to mandate performance by an officer or employee of the Federal Government, including an activity that requires either the exercise of discretion in applying the authority of the Government or the use of value judgment in making a decision for the Government.

"(2) PROPERTY.—

"(A) IN GENERAL.—The Corporation may solicit, accept, hold, administer, use, and dispose of, in furtherance of the purposes of this Act,

donations of any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise. Donations accepted under this subparagraph shall be used as nearly as possible in accordance with the terms, if any, of such donation.

"(B) TAX.—For purposes of Federal income, estate, and gift taxes, money or property accepted under subparagraph (A) shall be considered to be a gift, devise, or bequest to, or for the use of, the United States.

"(C) RULES.—The President shall establish written rules to ensure that the solicitation, acceptance, holding, administration, and use of property described in subparagraph (A)—

"(i) will not reflect unfavorably upon the ability of the Corporation, or of any officer or employee of the Corporation, to carry out the responsibilities or official duties of the Corporation in a fair and objective manner; and

"(ii) will not compromise the integrity of the programs of the Corporation or any official or employee of the Corporation involved in such programs.

"(D) DISPOSITION.—Upon completion of the use by the Corporation of any property accepted pursuant to subparagraph (A) (other than money or monetary proceeds from sales of property so accepted), such completion shall be reported to the General Services Administration and such property shall be disposed of in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

"(3) VOLUNTEER.—As used in this subsection, the term 'volunteer' does not include a participant.

"(b) CONTRACTS.—Subject to the Federal Property and Administrative Services Act of 1949, the Corporation may enter into contracts, and cooperative and interagency agreements, with Federal and State agencies, private firms, institutions, and individuals to conduct activities necessary to assist the Corporation in carrying out the duties of the Corporation under this Act.

"(c) OFFICE OF MANAGEMENT AND BUDGET.—Appropriate circulars of the Office of Management and Budget shall apply to the Corporation."

(b) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended by inserting after the second sentence the following: "The Director shall report directly to the President of the Corporation for National and Community Service."

(c) TRANSFER OF FUNCTIONS OF COMMISSION ON NATIONAL AND COMMUNITY SERVICE.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context, each term specified in section 203(c)(1) shall have the meaning given the term in such section.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Corporation the functions that the Board of Directors or Executive Director of the Commission on National and Community Service exercised before the effective date of this subsection (including all related functions of any officer or employee of the Commission).

(3) APPLICATION.—The provisions of paragraphs (3) through (10) of section 203(c) shall apply with respect to the transfer described in paragraph (2), except that—

(A) for purposes of such application, references to the term "ACTION Agency" shall be deemed to be references to the Commission on National and Community Service; and

(B) paragraph (10) of such section shall not preclude the transfer of the members of the Board of Directors of the Commission to the Corporation if, on the effective date of this subsection, the Board of Directors of the Corporation has not been confirmed.

(d) CONTINUING PERFORMANCE OF CERTAIN FUNCTIONS.—The individuals who, on the day before the date of enactment of this Act, are performing any of the functions required by section 190 of the National and Community Service Act of 1990 (42 U.S.C. 12651), as in effect on such date, to be performed by the members of the Board of Directors of the Commission on National and Community Service may, subject to section 193A of the National and Community Service Act of 1990, as added by subsection (a) of this section, continue to perform such functions until the date on the Board of Directors of the Corporation for National and Community Service conducts the first meeting of the Board. The service of such individuals as members of the Board of Directors of such Commission, and the employment of such individuals as special government employees, shall terminate on such date.

(e) JOB SEARCH ASSISTANCE.—The President of the Corporation shall establish a program to provide, or shall seek to enter into a memorandum of understanding with the Director of the Office of Personnel Management to provide, job search and related assistance to employees of the ACTION agency who are not transferred to the Corporation for National and Community Service under section 203(c). The President of the Corporation shall make available funds appropriated under section 501(a)(2) of the National and Community Service Act of 1990 in order to provide such assistance.

(f) GOVERNMENT CORPORATION CONTROL.—
(1) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (D) the following:

"(E) the Corporation for National and Community Service."

(2) AUDITS.—Section 9105(a)(1) of title 31, United States Code, is amended by inserting "or under other Federal law," before "or by an independent".

(g) DISPOSAL OF PROPERTY.—Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following:

"(5)(A) Under such regulations as the Administrator may prescribe, the Administrator is authorized, in the discretion of the Administrator, to assign to the President of the Corporation for National and Community Service for disposal such surplus property as is recommended by the President as being needed for national service activities.

"(B) Subject to the disapproval of the Administrator, within 30 days after notice to the Administrator by the President of the Corporation for National and Community Service of a proposed transfer of property for such activities, the President, through such officers or employees of the Corporation as the President may designate, may sell, lease, or donate such property to any entity that receives financial assistance under the National and Community Service Act of 1990 for such activities.

"(C) In fixing the sale or lease value of such property, the President of the Corporation for National and Community Service shall comply with the requirements of paragraph (1)(C)."

(h) INSPECTOR GENERAL.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1), by inserting "the Board of Directors of the Corporation for National and Community Service;" after "Thrift Depositor Protection Oversight Board"; and

(2) in paragraph (2), by inserting "the Corporation for National and Community Service," after "United States Information Agency".

(i) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended

by striking the items relating to subtitle G of title I of such Act and inserting the following:

"Subtitle G—Corporation for National and Community Service

"Sec. 191. Corporation for National and Community Service.

"Sec. 192. Board of Directors.

"Sec. 192A. Authorities and duties of the Board of Directors.

"Sec. 193. President.

"Sec. 193A. Authorities and duties of the President.

"Sec. 194. Officers.

"Sec. 195. Employees, consultants, and other personnel.

"Sec. 196. Administration."

(j) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 1993.

(2) ESTABLISHMENT AND APPOINTMENT AUTHORITIES.—Sections 191, 192, and 193 of the National and Community Service Act of 1990, as added by subsection (a), shall take effect on the date of enactment of this Act.

SEC. 203. FINAL AUTHORITIES OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) APPLICATION.—Subtitle I of the National and Community Service Act of 1990 (as amended by section 202 of this Act) is amended in section 191, section 192A(g)(5), section 193(c), subsections (b), (c) (other than paragraph (8)), and (d) of section 193A, subsections (b) and (d) of section 195, and subsections (a) and (b) of section 196, by striking "this Act" each place the term appears and inserting "the national service laws".

(2) GRANTS.—Section 192A(g) of the National and Community Service Act of 1990 (as added by section 202 of this Act) is amended—

(A) by striking "and" at the end of paragraph (9);

(B) by redesignating paragraph (10) as paragraph (11); and

(C) by inserting after paragraph (9) the following:

"(10) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under the provisions of the Domestic Volunteer Service Act of 1973 (except as provided in section 108 of the Domestic Volunteer Service Act of 1973), which may provide that the agency or organization shall pay all or a part of the costs of the program; and"

(3) ASSISTANT DIRECTORS.—Section 194 of the National and Community Service Act of 1990 (as added by section 202 of this Act) is amended by adding at the end the following:

"(d) ASSISTANT DIRECTORS.—

"(1) IN GENERAL.—There shall be in the Corporation four Assistant Directors, each of whom shall be appointed by the President, and who shall report directly to the Managing Director described in subsection (a)(3)(A).

"(2) DUTIES.—

"(A) VISTA AND OTHER ANTIPOVERTY PROGRAMS.—One of the Assistant Directors shall be primarily responsible for the VISTA and other anti-poverty programs under title I of the Domestic Volunteer Service Act of 1973.

"(B) RETIRED AND SENIOR VOLUNTEER PROGRAMS.—One of the Assistant Directors shall be primarily responsible for the Retired and Senior Volunteer Program established under part A of title II of such Act.

"(C) FOSTER GRANDPARENT PROGRAM.—One of the Assistant Directors shall be primarily responsible for the Foster Grandparent Program established under part B of title II of such Act.

"(D) SENIOR COMPANION PROGRAM.—One of the Assistant Directors shall be primarily responsible for the Senior Companion Program established under part C of title II of such Act."

(b) AUTHORITIES OF ACTION AGENCY.—Sections 401 and 402 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041 and 5042) are repealed.

(c) TRANSFER OF FUNCTIONS FROM ACTION AGENCY.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context—

(A) the term "Corporation" means the Corporation for National and Community Service, established under section 191 of the National and Community Service Act of 1990;

(B) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(C) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program;

(D) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof; and

(E) the term "President", except as used as part of the term "President of the United States", means the President of the Corporation.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Corporation such functions as the President of the United States determines to be appropriate that the Director of the ACTION Agency exercised before the effective date of this subsection (including all related functions of any officer or employee of the ACTION Agency).

(3) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—The President of the United States may delegate to the Director of the Office of Management and Budget the authority to make any determination of the functions that are transferred under paragraph (2), if the President determines that such a delegation would be appropriate.

(4) REORGANIZATION.—The President is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Corporation, after providing notice of the allocation or reallocation to Congress.

(5) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Corporation. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(6) INCIDENTAL TRANSFER.—The Director of the Office of Management and Budget is authorized to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be necessary to effectuate the purposes of this subsection.

(7) EFFECT ON PERSONNEL.—

(A) IN GENERAL.—Except as otherwise provided by this subsection, the transfer pursuant to

to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection.

(B) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Corporation to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(C) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President of the United States, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

(8) SAVINGS PROVISIONS.—
(A) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(i) that have been issued, made, granted, or allowed to become effective by the President of the United States, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this subsection; and

(ii) that are in effect at the time this subsection takes effect, or were final before the effective date of this subsection and are to become effective on or after the effective date of this subsection,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President of the United States, the President of the Corporation, or other authorized official, a court of competent jurisdiction, or by operation of law.

(B) PROCEEDINGS NOT AFFECTED.—The provisions of this subsection shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the ACTION Agency at the time this subsection takes effect, with respect to functions transferred by this subsection. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subsection had not been enacted.

(C) SUITS NOT AFFECTED.—The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

(D) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the ACTION Agency, or by or against any individual in the official capacity of such individual as an officer of the ACTION Agency, shall abate by reason of the enactment of this subsection.

(E) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the ACTION Agency relating to a function transferred under this subsection may be continued by the Corporation with the same effect as if this subsection had not been enacted.

(9) SEVERABILITY.—If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

(10) TRANSITION.—Prior to, or after, any transfer of a function under this subsection, the President is authorized to utilize—

(A) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions that will be or have been transferred to the Corporation by this subsection; and

(B) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subsection.

(d) DEVELOPMENT OF TRANSFER SCHEDULE.—The President of the Corporation for National and Community Service, in consultation with the Director of ACTION, shall, not later than 9 months after the date of enactment of this Act, prepare a schedule that specifies the date on which the employees of ACTION will be notified about—

(1) whether their functions will be transferred to the Corporation; and

(2) if such functions will be transferred, the date on which the transfer will occur.

(e) APPOINTMENT OF ACTION EMPLOYEES.—During the period beginning on October 1, 1993 and ending on the effective date of subsection (c)(2), in making appointments to the Corporation under the appointment system described in section 195(a)(4)(B)(iii) of the National and Community Service Act of 1990, the President of the Corporation for National and Community Service shall ensure that individuals who are employees of ACTION shall receive fair and equitable treatment.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section, and the amendments made by this section, shall take effect—

(A) 18 months after the date of enactment of this Act; or

(B) on such earlier date (which shall be not earlier than 12 months after the date of the enactment of this Act) as the President of the United States shall determine to be appropriate and announce by proclamation published in the Federal Register.

(2) TRANSITION.—Subsections (c)(10), (d), and (e) shall take effect on the date of enactment of this Act.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 501 of the National and Community Service Act of 1990 (42 U.S.C. 12681) is amended to read as follows:

“SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

“(a) TITLE I.—

“(1) SUBTITLES B, C, D, AND H.—

“(A) IN GENERAL.—There are authorized to be appropriated to provide financial assistance

under subtitles B, C, and H of title I, and to provide national service educational awards under subtitle D of title I, \$434,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

“(B) SPECIFIC ACTIVITIES.—Of the funds appropriated under this paragraph for a fiscal year—

“(i) not less than a sum equal to the greater of—

“(1) 11 percent of such funds; and

“(I) the amount appropriated to carry out subtitle B of title I for fiscal year 1993,

shall be made available to provide financial assistance under subtitle B of title I; and

“(ii) of the amount remaining after the sum described in clause (i) is made available as described in clause (i), not more than 15 percent of such remainder may be made available to provide financial assistance for activities in subtitle H of title I, section 125, or section 126.

“(2) ADMINISTRATION.—There are authorized to be appropriated for the administration of this Act such sums as may be necessary for each of the fiscal years 1994 through 1998.

“(b) TITLE III.—There are authorized to be appropriated to carry out title III \$5,000,000 for each of the fiscal years 1994 through 1998.

“(c) AVAILABILITY OF APPROPRIATIONS.—Funds appropriated under this section shall remain available until expended.”

Subtitle B—Domestic Volunteer Service Act of 1973

SEC. 311. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the “Domestic Volunteer Service Act Amendments of 1993”.

(b) REFERENCES.—Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

SEC. 321. PURPOSE OF THE VISTA PROGRAM.

The last sentence of section 101 (42 U.S.C. 4951) is amended to read as follows: “In addition, the objectives of this part are to generate the commitment of private sector resources, to encourage volunteer service at the local level, and to strengthen local agencies and organizations to carry out the purpose of this part.”

SEC. 322. SELECTION AND ASSIGNMENT OF VISTA VOLUNTEERS.

(a) VOLUNTEER ASSIGNMENTS.—Section 103(a) (42 U.S.C. 4953(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “a public” and inserting “public”;

(2) in paragraph (2), by striking “and” at the end;

(3) in paragraph (3), by striking “illiterate or functionally illiterate youth and other individuals,”;

(4) in paragraph (5), by striking “and” at the end;

(5) in paragraph (6)—

(A) by striking “or the Community Economic” and inserting “the Community Economic”;

(B) by inserting “or other similar Acts,” after “1981,”; and

(C) by striking the period and inserting “; and”;

(6) by adding at the end the following new paragraph:

“(7) in strengthening, supplementing, and expanding efforts to address the problem of illiteracy throughout the United States.”

(b) RECRUITMENT PROCEDURES.—Section 103(b) (42 U.S.C. 4953(b)) is amended—

(1) by striking paragraphs (2), (4), (5) and (6);

(2) by redesignating paragraphs (3) and (7) as paragraphs (2) and (3), respectively;

(3) in paragraph (2) (as redesignated in paragraph (2) of this subsection), by striking "paragraph (7)" and inserting "paragraph (3)"; and

(4) in paragraph (3) (as redesignated in paragraph (2) of this subsection)—

(A) in subparagraph (A), by striking "paragraph (4)" and inserting "paragraph (2)";

(B) by striking subparagraphs (B), (C), and (E);

(C) by redesignating subparagraphs (D) and (F) as subparagraphs (C) and (D), respectively; and

(D) by inserting after subparagraph (A) the following new subparagraph:

"(B) A sponsoring organization may recruit volunteers for service under this part, subject to final approval by the Director."

(c) PUBLIC AWARENESS AND RECRUITMENT.—Subsection (c) of section 103 (42 U.S.C. 4953(c)) is amended—

(1) in paragraph (1), to read as follows:

"(1)(A) The Director shall conduct national and local public awareness and recruitment activities in order to meet the volunteer goals of the program. In conducting such activities, the Director shall place special emphasis on recruiting volunteers for local, community-based programs that serve underrepresented populations, in situations in which volunteers might not otherwise learn about the programs. Such activities shall be coordinated with recruitment authorized under subtitle C or E of the National and Community Service Act of 1990 and may include public service announcements, advertisements, publicity on loan deferments, repayments, and cancellations available to VISTA volunteers, maintenance of a toll-free telephone system, and provision of technical assistance for the recruitment of volunteers to programs and projects receiving assistance under this part.

"(B) The Director shall take steps to recruit individuals 18 through 27 years of age, 55 years of age and older, recent graduates of institutions of higher education, and special skilled volunteers and to promote diverse participation in the program."

(2) in paragraph (3), by adding at the end the following new sentence: "In addition, the Director shall take steps to provide opportunities for returned Peace Corps volunteers to serve in the VISTA program."

(3) by striking paragraphs (4), (5), and (6); and

(4) by adding at the end the following new paragraph:

"(4) From the amounts appropriated under section 501(a) for fiscal year 1994 and each subsequent fiscal year, the Director shall obligate such sums as may be necessary for the purpose of carrying out this subsection in such fiscal year."

(d) COORDINATION WITH OTHER FEDERAL AGENCIES.—Section 103 (42 U.S.C. 4953) is amended by adding at the end the following new subsection:

"(h) The Director is encouraged to enter into agreements with other Federal agencies to use VISTA volunteers in furtherance of program objectives that are consistent with the purposes described in section 101."

SEC. 323. TERMS AND PERIODS OF SERVICE.

(a) CLARIFICATION AND PERIODS OF SERVICE.—Subsection (b) of section 104 (42 U.S.C. 4954(b)) is amended to read as follows:

"(b)(1) Volunteers serving under this part may be enrolled initially for periods of service of not less than 1 year, nor more than 2 years, except as provided in paragraph (2) or subsection (e).

"(2) Volunteers serving under this part may be enrolled for periods of service of less than 1 year if the Director determines, on an individual basis, that a period of service of less than 1 year is necessary to meet a critical scarce skill need.

"(3) Volunteers serving under this part may be reenrolled for periods of service in a manner to be determined by the Director. No volunteer shall serve for more than a total of 5 years under this part."

(b) SUMMER PROGRAM.—Section 104 (42 U.S.C. 4954) is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding any other provision of this part, the Director may enroll full-time VISTA summer associates in a program for the summer months only, under such terms and conditions as the Director shall determine to be appropriate. Such individuals shall be assigned to projects that meet the criteria set forth in section 103(a).

"(2) In preparing reports relating to programs under this Act, the Director shall report on participants, costs, and accomplishments under the summer program separately.

"(3) The limitation on funds appropriated for grants and contracts, as contained in section 108, shall not apply to the summer program."

SEC. 324. SUPPORT FOR VISTA VOLUNTEERS.

(a) POSTSERVICE STIPEND.—Section 105(a)(1) (42 U.S.C. 4955(a)(1)) is amended—

(1) by inserting "(A)" after "(a)(1)"; and

(2) by striking the second sentence and inserting the following:

"(B) Such stipend shall not exceed \$95 per month in fiscal year 1994, but shall be set at a minimum of \$125 per month during the service of the volunteer after October 1, 1994, assuming the availability of funds to accomplish this increase. The Director may provide a stipend of a minimum of \$200 per month in the case of persons who have served as volunteers under this part for at least 1 year and who, in accordance with standards established in such regulations as the Director shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

"(C) The Director shall not provide a stipend under this subsection to an individual who elects to receive a national service education award under subtitle D of title I of the National and Community Service Act of 1990."

(b) SUBSISTENCE ALLOWANCE.—Section 105(b) (42 U.S.C. 4955(b)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (A);

(B) in subparagraph (B), by striking the subparagraph designation; and

(C) by adding at the end the following new sentence: "The Director shall review such adjustments on an annual basis to ensure that the adjustments are current."; and

(2) by striking paragraph (4).

(c) CHILD CARE.—Section 105 (42 U.S.C. 4955) is amended by adding at the end the following:

"(c)(1) The Director shall—

"(A) make child care available for children of each volunteer enrolled under this part, including volunteers who need such child care in order to participate as volunteers; or

"(B) provide a child care allowance to each such volunteer who needs such assistance in order to participate as volunteers.

"(2) The Corporation shall establish guidelines regarding the circumstances under which child care shall be made available under this subsection and the value of any child care allowance to be provided."

SEC. 325. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

Section 107 (42 U.S.C. 4957) is amended to read as follows:

"SEC. 107. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

"In carrying out this part and part C, the Director shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of

individuals 18 through 27 years of age, and individuals 55 years of age and older, in the various programs and activities authorized under such parts."

SEC. 326. LITERACY ACTIVITIES.

Section 109 (42 U.S.C. 4959) is amended—

(1) in subsection (g)—

(A) by striking paragraph (1); and

(B) by striking the paragraph designation of paragraph (2); and

(2) in subsection (h), by striking paragraph (3).

SEC. 327. APPLICATIONS FOR ASSISTANCE.

Section 110 (42 U.S.C. 4960) is amended to read as follows:

"SEC. 110. APPLICATIONS FOR ASSISTANCE.

"In reviewing an application for assistance under this part, the Director shall not deny such assistance to any project or program, or any public or private nonprofit organization, solely on the basis of the duration of the assistance such project, program, or organization has received under this part prior to the date of submission of the application. The Director shall grant assistance under this part on the basis of merit and to accomplish the goals of the VISTA program, and shall consider the needs and requirements of projects in existence on such date as well as potential new projects."

SEC. 328. REPEAL OF AUTHORITY FOR STUDENT COMMUNITY SERVICE PROGRAMS.

Section 114 (42 U.S.C. 4974) is repealed.

SEC. 329. UNIVERSITY YEAR FOR VISTA.

(a) PROGRAM TITLE.—Part B of title I (42 U.S.C. 4971 et seq.) is amended—

(1) in the part heading, to read as follows:

"PART B—UNIVERSITY YEAR FOR VISTA";

(2) by striking "University Year for ACTION" each place that such term appears in such part and inserting "University Year for VISTA";

(3) by striking "UYA" each place that such term appears in such part and inserting "UYV"; and

(4) in section 112 (42 U.S.C. 4972) by striking the section heading and inserting the following new section heading:

"AUTHORITY TO OPERATE UNIVERSITY YEAR FOR VISTA PROGRAM"

(b) SPECIAL CONDITIONS.—Section 113(a) (42 U.S.C. 4973(a)) is amended—

(1) by striking "of not less than the duration of an academic year" and inserting "of not less than the duration of an academic semester or its equivalent"; and

(2) by adding at the end the following new sentence: "Volunteers may receive a living allowance and such other support or allowances as the Director determines to be appropriate."

SEC. 330. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

Section 122 (42 U.S.C. 4992) is amended to read as follows:

"SEC. 122. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

"(a) IN GENERAL.—The Director is authorized to conduct special volunteer programs for demonstration programs, or award grants to or enter into contracts with public or nonprofit organizations to carry out such programs. Such programs shall encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and identify particular segments of the poverty community that could benefit from volunteer and other antipoverty efforts.

"(b) ASSIGNMENT AND SUPPORT OF VOLUNTEERS.—The assignment of volunteers under this section, and the provision of support for such volunteers, including any subsistence allowances and stipends, shall be on such terms and conditions as the Director shall determine to be

appropriate, but shall not exceed the level of support provided under section 105. Projects using volunteers who do not receive stipends may also be supported under this section.

"(c) CRITERIA AND PRIORITIES.—In carrying out this section and section 123, the Director shall establish criteria and priorities for awarding grants and entering into contracts under this part in each fiscal year. No grant or contract exceeding \$100,000 shall be made under this part unless the recipient of the grant or contractor has been selected by a competitive process that includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process."

SEC. 331. TECHNICAL AND FINANCIAL ASSISTANCE.

Section 123 (42 U.S.C. 4993) is amended to read as follows:

"SEC. 123. TECHNICAL AND FINANCIAL ASSISTANCE.

"The Director may provide technical and financial assistance to Federal agencies, State and local governments and agencies, private nonprofit organizations, employers, and other private organizations that utilize or desire to utilize volunteers in carrying out the purpose of this part."

SEC. 332. ELIMINATION OF SEPARATE AUTHORITY FOR DRUG ABUSE PROGRAMS.

Section 124 (42 U.S.C. 4994) is repealed.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

SEC. 341. NATIONAL SENIOR VOLUNTEER CORPS.

(a) **TITLE HEADING.**—The heading for title II is amended to read as follows:

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS"

(b) **REFERENCES.**—

(1) Section 200(1) (42 U.S.C. 5000(1)) is amended by striking "Older America Volunteer Programs" and inserting "National Senior Volunteer Corps".

(2) The heading for section 221 (42 U.S.C. 5021) is amended by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS".

(3) Section 224 (42 U.S.C. 5024) is amended—

(A) in the section heading by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS"; and

(B) by striking "volunteer projects for Older Americans" and inserting "National Senior Volunteer Corps projects".

(4) Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended by striking "national older American volunteer programs" each place the term appears and inserting "National Senior Volunteer Corps programs".

SEC. 342. THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

(a) **PART HEADING.**—The heading for part A of title II is amended by striking "RETIRED SENIOR VOLUNTEER PROGRAM" and inserting "RETIRED AND SENIOR VOLUNTEER PROGRAM".

(b) **REFERENCES.**—Section 200 (42 U.S.C. 5000) is amended by striking "retired senior volunteer program" each place that such term appears in such section and inserting "Retired and Senior Volunteer Program".

SEC. 343. OPERATION OF THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

(a) **ELIGIBILITY FOR PARTICIPANTS IN THE PROGRAM.**—Section 201(a) (42 U.S.C. 5001(a)) is amended—

(1) in the matter preceding paragraph (1), by inserting "and older working persons" after "retired persons"; and

(2) in paragraph (2), by striking "aged sixty" and inserting "age 55".

(b) **DELETION OF REQUIREMENT FOR STATE AGENCY REVIEW.**—Section 201 (42 U.S.C. 5001) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

SEC. 344. SERVICES UNDER THE FOSTER GRANDPARENT PROGRAM.

Section 211(a) (42 U.S.C. 5011(a)) is amended by striking "including services" and all that follows through "with special needs." and inserting a period and the following: "Such services may include services by individuals serving as foster grandparents to children who are individuals with disabilities, who have chronic health conditions, who are receiving care in hospitals, who are residing in homes for dependent and neglected children, or who are receiving services provided by day care centers, schools, early intervention programs under part H of the Individuals with Disabilities Education Act (20 U.S.C. 1471 et seq.), Head Start agencies under the Head Start Act, or any of a variety of other programs, establishments, and institutions providing services for children with special or exceptional needs. Individual foster grandparents may provide person-to-person services to one or more children, depending on the needs of the project and local site."

SEC. 345. STIPENDS FOR LOW-INCOME VOLUNTEERS.

The second sentence of section 211(d) (42 U.S.C. 5011(d)) is amended by striking "Any stipend or allowance provided under this subsection shall not be less than \$2.20 per hour until October 1, 1990, \$2.35 per hour during fiscal year 1991, and \$2.50 per hour on and after October 1, 1992," and inserting "Any stipend or allowance provided under this section shall not be less than \$2.45 per hour on and after October 1, 1993, and shall be adjusted once prior to December 31, 1997, to account for inflation, as determined by the Director and rounded to the nearest five cents."

SEC. 346. PARTICIPATION OF NON-LOW-INCOME PERSONS UNDER PARTS B AND C.

Subsection (f) of section 211(f) (42 U.S.C. 5011(f)) is amended to read as follows:

"(f) Individuals who are not low-income persons may serve as volunteers under parts B and C, in accordance with such regulations as the Director shall issue, at the discretion of the local project. Such individuals shall not receive any allowance, stipend, or other financial support for such service except reimbursement for transportation, meals, and out-of-pocket expenses related to such service."

SEC. 347. CONDITIONS OF GRANTS AND CONTRACTS.

Section 212 (42 U.S.C. 5012) is repealed.

SEC. 348. EVALUATION OF THE SENIOR COMPANION PROGRAM.

Section 213(c) (42 U.S.C. 5013(c)) is amended by striking paragraph (3).

SEC. 349. AGREEMENTS WITH OTHER FEDERAL AGENCIES.

Section 221(a) (42 U.S.C. 5021(a)) is amended—

(1) by striking "(a)" and inserting "(a)(1)"; and

(2) by adding at the end the following:

"(2) The Director is encouraged to enter into agreements with—

"(A) the Department of Health and Human Services to—

"(i) involve retired or senior volunteers and foster grandparents in Head Start projects; and

"(ii) promote in-home care in cooperation with the Administration on Aging;

"(B) the Department of Education to promote intergenerational tutoring and mentoring for at-risk children; and

"(C) the Environmental Protection Agency to support conservation efforts."

SEC. 350. PROGRAMS OF NATIONAL SIGNIFICANCE.

Section 225 (42 U.S.C. 5025) is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) The Director is authorized to make grants under parts A, B, and C to support programs that address national problems that are also of local concern. The Director may, in any fiscal year, determine which programs of national significance will receive priority in that year. In determining the priority of programs to address problems of local concern in a particular area, the Director shall solicit and consider the views of representatives of local groups serving the area."

(B) in paragraph (2)(B), by striking "paragraph (10)" and inserting "paragraphs (10) and (12)"; and

(C) in paragraph (2)(C), by striking "(10)" and inserting "(10), (12), (15), and (16)";

(2) in subsection (b), by adding at the end the following new paragraphs:

"(12) Programs that address environmental needs.

"(13) Programs that reach out to organizations not previously involved in addressing local needs, such as labor unions and profit-making organizations.

"(14) Programs that provide for ethnic outreach.

"(15) Programs that support criminal justice activities.

"(16) Programs that involve older volunteers working with young people in apprenticeship programs.

"(17) Programs that support the integration of individuals with disabilities into the community.";

(3) in subsection (d), by striking paragraph (1) and inserting the following new paragraph:

"(1) Except as provided in paragraph (2), from the amounts appropriated under subsection (a), (b), (c), or (d) of section 502, for each fiscal year there shall be available to the Director such sums as may be necessary to make grants under subsection (a)."

SEC. 351. ADJUSTMENTS TO FEDERAL FINANCIAL ASSISTANCE.

Section 226 (42 U.S.C. 5026) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking "(A)"; and

(B) by striking subparagraph (B); and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(1)"; and

(ii) by striking "annually" and inserting "once every 2 years"; and

(B) by striking paragraph (2).

SEC. 352. DEMONSTRATION PROGRAMS.

Title II (42 U.S.C. 5000 et seq.) is amended by adding at the end the following new part:

"PART E—DEMONSTRATION PROGRAMS

"SEC. 231. AUTHORITY OF DIRECTOR.

"(a) **IN GENERAL.**—The Director is authorized to make grants to or enter into contracts with public or nonprofit organizations, including organizations funded under part A, B, or C, for the purposes of demonstrating innovative activities involving older Americans as volunteers. The Director may support under this part both volunteers receiving stipends and volunteers not receiving stipends.

"(b) **ACTIVITIES.**—An organization that receives a grant or enters into a contract under subsection (a) may use funds made available through the grant or contract for activities such as—

"(1) linking youth groups and older American organizations in volunteer activities;

"(2) involving older volunteers in programs and activities different from programs and activities supported in the community; and

"(3) testing whether older American volunteer programs may contribute to new objectives or certain national priorities.

SEC. 232. PROHIBITION.

"The Director may not reduce the activities, projects, or volunteers funded under the other parts of this title in order to support projects under this part."

CHAPTER 3—ADMINISTRATION**SEC. 361. PURPOSE OF AGENCY.**

Section 401 (42 U.S.C. 5041) is amended—
(1) by inserting after the first sentence the following: "Such Agency shall also promote the coordination of volunteer efforts among Federal, State, and local agencies and organizations, exchange technical assistance information among such agencies and organizations, and provide technical assistance to other nations concerning domestic volunteer programs within their countries."; and

(2) by striking "Older American Volunteer Programs" each place the term appears and inserting "National Senior Volunteer Corps".

SEC. 362. AUTHORITY OF THE DIRECTOR.

Section 402 (42 U.S.C. 5042) is amended in paragraphs (5) and (6) by inserting "solicit and" before "accept" each place the term appears.

SEC. 363. COMPENSATION FOR VOLUNTEERS.

Section 404 (42 U.S.C. 5044) is amended—
(1) in subsection (c), by inserting "from such volunteers or from beneficiaries" after "compensation";

(2) by striking subsection (f); and
(3) by redesignating subsection (g) as subsection (f).

SEC. 364. REPEAL OF REPORT.

Section 407 (42 U.S.C. 5047) is repealed.

SEC. 365. APPLICATION OF FEDERAL LAW.

Section 415(b)(4)(A) (42 U.S.C. 5055(b)(4)(A)) is amended by striking "a grade GS-7 employee" and inserting "an employee at grade GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 366. EVALUATION OF PROGRAMS.

Section 416 (42 U.S.C. 5056) is amended—
(1) in subsection (a)—
(A) in the first sentence, by striking "(including the VISTA Literacy Corps which shall be evaluated as a separate program at least once every 3 years)"; and
(B) in the second sentence, by striking "at least once every 3 years" and inserting "periodically";

(2) in subsection (b) to read as follows:
"(b) In carrying out evaluations of programs under this Act, the Director shall create appropriate management information systems that will summarize information on volunteer activities and accomplishments across the programs supported under this Act. The Director shall periodically prepare and submit to the appropriate committees of Congress a report containing such information."; and
(3) by striking subsections (d), (e), (f), and (g).

SEC. 367. NONDISCRIMINATION PROVISIONS.

Section 417 (42 U.S.C. 5057) is amended to read as follows:

SEC. 417. NONDISCRIMINATION PROVISIONS.

"(a) IN GENERAL.—
"(1) BASIS.—An individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate against a participant in, or member of the staff of, such program on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.
"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).
"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this Act shall con-

stitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).
"(c) RELIGIOUS DISCRIMINATION.—
"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate on the basis of religion against a participant in such program or a member of the staff of such program who is paid with funds received under this Act.
"(2) EXCEPTION.—Paragraph (1) shall not apply to the employment, with assistance provided under this Act, of any member of the staff, of a program that receives assistance under this Act, who was employed with the organization operating the program on the date the grant under this Act was awarded.
"(d) RULES AND REGULATIONS.—The Director shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 368. ELIMINATION OF SEPARATE REQUIREMENTS FOR SETTING REGULATIONS.
Section 420 (42 U.S.C. 5060) is repealed.

SEC. 369. CLARIFICATION OF ROLE OF INSPECTOR GENERAL.
Section 422 (42 U.S.C. 5062) is amended—
(1) in subsection (a), by inserting "or the Inspector General" after "Director"; and
(2) in subsection (b), by inserting "the Inspector General," after "Director" each place that such term appears.

SEC. 370. COPYRIGHT PROTECTION.
Title IV (42 U.S.C. 5041 et seq.) is amended by adding at the end the following new section:
SEC. 425. PROTECTION AGAINST IMPROPER USE.
"Whoever falsely—
"(1) advertises or represents; or
"(2) publishes or displays any sign, symbol, or advertisement, reasonably calculated to convey the impression,
that an entity is affiliated with, funded by, or operating under the authority of ACTION, VISTA, or any of the programs of the National Senior Volunteer Corps may be enjoined under an action filed by the Attorney General, on a complaint by the Director."

SEC. 371. CENTER FOR RESEARCH AND TRAINING.
Title IV (42 U.S.C. 5041 et seq.) (as amended by section 370 of this Act) is further amended by adding at the end the following new section:
SEC. 426. CENTER FOR RESEARCH AND TRAINING.
"The Director may establish, directly or by grant or contract, a Center for Research and Training on Volunteerism to carry out research concerning the impact of volunteerism on individuals, organizations, and communities, provide training at a State, regional, or local level to help improve programs across the United States, and carry out such other functions as the Director determines to be appropriate."

SEC. 372. DEPOSIT REQUIREMENT CREDIT FOR SERVICE AS A VOLUNTEER.
(a) CIVIL SERVICE RETIREMENT SYSTEM.—
(1) CREDITABLE SERVICE.—Section 8332(j) of title 5, United States Code, is amended—
(A) in paragraph (1)—
(i) in the first sentence, by inserting "the period of an individual's services as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,"; and
(iii) in the last sentence—
(I) by inserting "or under the Domestic Volunteer Service Act of 1973" after "Economic Opportunity Act of 1964"; and
(II) by inserting "or the Director of ACTION, as appropriate," after "Director of the Office of Economic Opportunity"; and
(B) by adding at the end the following new paragraph:
"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."
(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—
(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:
"(l)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.
"(2) Any deposit made under paragraph (1) more than 2 years after the later of—
"(A) the date of enactment of this subsection; or
"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,
shall include interest on such amount, computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).
"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.
"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."
(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".
(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(i) in the first sentence, by inserting "the period of an individual's services as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,"; and
(iii) in the last sentence—
(I) by inserting "or under the Domestic Volunteer Service Act of 1973" after "Economic Opportunity Act of 1964"; and
(II) by inserting "or the Director of ACTION, as appropriate," after "Director of the Office of Economic Opportunity"; and
(B) by adding at the end the following new paragraph:
"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."
(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—
(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:
"(l)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.
"(2) Any deposit made under paragraph (1) more than 2 years after the later of—
"(A) the date of enactment of this subsection; or
"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,
shall include interest on such amount, computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).
"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.
"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."
(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".
(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(i) in the first sentence, by inserting "the period of an individual's services as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,"; and
(iii) in the last sentence—
(I) by inserting "or under the Domestic Volunteer Service Act of 1973" after "Economic Opportunity Act of 1964"; and
(II) by inserting "or the Director of ACTION, as appropriate," after "Director of the Office of Economic Opportunity"; and
(B) by adding at the end the following new paragraph:
"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."
(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—
(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:
"(l)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.
"(2) Any deposit made under paragraph (1) more than 2 years after the later of—
"(A) the date of enactment of this subsection; or
"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,
shall include interest on such amount, computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).
"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.
"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."
(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".
(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(i) in the first sentence, by inserting "the period of an individual's services as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,"; and
(iii) in the last sentence—
(I) by inserting "or under the Domestic Volunteer Service Act of 1973" after "Economic Opportunity Act of 1964"; and
(II) by inserting "or the Director of ACTION, as appropriate," after "Director of the Office of Economic Opportunity"; and
(B) by adding at the end the following new paragraph:
"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."
(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—
(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:
"(l)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.
"(2) Any deposit made under paragraph (1) more than 2 years after the later of—
"(A) the date of enactment of this subsection; or
"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,
shall include interest on such amount, computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).
"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.
"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."
(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".
(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(i) in the first sentence, by inserting "the period of an individual's services as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,"; and
(iii) in the last sentence—
(I) by inserting "or under the Domestic Volunteer Service Act of 1973" after "Economic Opportunity Act of 1964"; and
(II) by inserting "or the Director of ACTION, as appropriate," after "Director of the Office of Economic Opportunity"; and
(B) by adding at the end the following new paragraph:
"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."
(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—
(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:
"(l)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.
"(2) Any deposit made under paragraph (1) more than 2 years after the later of—
"(A) the date of enactment of this subsection; or
"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,
shall include interest on such amount, computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).
"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.
"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."
(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".
(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(A) in subsection (b)(3), by striking "subsection (f)" and inserting "subsection (f) or (h)"; and

(B) by adding at the end the following new subsection:

"(h) An employee or Member shall be allowed credit for service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, performed at any time prior to the separation from service on which the entitlement to any annuity under this subchapter is based if the employee or Member has made a deposit with interest, if any, with respect to such service under section 8422(f)."

(2) DEDUCTIONS, CONTRIBUTIONS.—Section 8422 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter, or subchapter V of this chapter, is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 3 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Service Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.

"(2) Any deposit made under paragraph (1) more than 2 years after the later of—

"(A) the date of enactment of this subsection, or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e).

"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(c) APPLICABILITY AND OTHER PROVISIONS.—

(1) APPLICABILITY.—

(A) TIMING.—The amendments made by subsections (a) and (b) shall apply with respect to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 to individuals who are entitled to an annuity on the basis of a separation from service occurring before, on, or after the effective date of this Act.

(B) SEPARATION.—In the case of any individual whose entitlement to an annuity is based on a separation from service occurring before the

date of enactment of this Act, any increase in such individual's annuity on the basis of a deposit made pursuant to section 8334(l) or section 8442(f) of title 5, United States Code, as amended by this Act, shall be effective only with respect to annuity payments payable for calendar months beginning after the date of enactment of this Act.

(2) ACTION TO INFORM INDIVIDUALS.—The Director of the Office of Personnel Management shall take such action as may be necessary and appropriate to inform individuals entitled to credit under this section for service as a volunteer or volunteer leader, or to have any annuity recomputed, or to make a deposit under this section, of such entitlement.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

SEC. 381. AUTHORIZATION OF APPROPRIATIONS FOR TITLE I.

Section 501 (42 U.S.C. 5081) is amended to read as follows:

"SEC. 501. NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS.

"(a) AUTHORIZATIONS.—

"(1) VOLUNTEERS IN SERVICE TO AMERICA.—There are authorized to be appropriated to carry out part A of title I, excluding sections 104(e) and 109, \$45,800,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(2) SUMMER PROGRAM.—There are authorized to be appropriated to carry out section 104(e), such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(3) LITERACY ACTIVITIES.—There are authorized to be appropriated to carry out section 109, \$5,600,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(4) UNIVERSITY YEAR FOR VISTA.—There are authorized to be appropriated to carry out part B of title I, such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(5) SPECIAL VOLUNTEER PROGRAMS.—There are authorized to be appropriated to carry out part C of title I, excluding section 125, such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(6) LITERACY CHALLENGE GRANTS.—There are authorized to be appropriated to carry out section 125, such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(b) SUBSISTENCE.—The minimum level of an allowance for subsistence required under section 105(b)(2), to be provided to each volunteer under title I, may not be reduced or limited in order to provide for an increase in the number of volunteer service years under part A of title I.

"(c) LIMITATION.—No part of the funds appropriated to carry out part A of title I may be used to provide volunteers or assistance to any program or project authorized under part B or C of title I, or under title II, unless the program or project meets the anti-poverty criteria of part A of title I.

"(d) AVAILABILITY.—Amounts appropriated for part A of title I shall remain available for obligation until the end of the fiscal year following the fiscal year for which the amounts were appropriated.

"(e) VOLUNTEER SERVICE REQUIREMENT.—

"(1) VOLUNTEER SERVICE YEARS.—Of the amounts appropriated under this section for parts A, B, and C of title I, including section 125, there shall first be available for part A of title I, including sections 104(e) and 109, an amount not less than the amount necessary to provide 3,700 volunteer service years in fiscal year 1994, 4,000 volunteer service years in fiscal year 1995, 4,500 volunteer service years in fiscal year 1996, 5,500 volunteer service years in fiscal year 1997, and 7,500 volunteer service years in fiscal year 1998.

"(2) PLAN.—If the Director determines that funds appropriated to carry out part A, B, or C of title I are insufficient to provide for the years of volunteer service required by paragraph (1), the Director shall submit a plan to the relevant authorizing and appropriations committees of Congress that will detail what is necessary to fully meet this requirement."

SEC. 382. AUTHORIZATION OF APPROPRIATIONS FOR TITLE II.

Section 502 (42 U.S.C. 5082) is amended to read as follows:

"SEC. 502. NATIONAL SENIOR VOLUNTEER CORPS.

"(a) RETIRED AND SENIOR VOLUNTEER PROGRAM.—There are authorized to be appropriated to carry out part A of title II, \$37,054,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(b) FOSTER GRANDPARENT PROGRAM.—There are authorized to be appropriated to carry out part B of title II, \$71,284,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(c) SENIOR COMPANION PROGRAM.—There are authorized to be appropriated to carry out part C of title II, \$32,509,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(d) DEMONSTRATION PROGRAMS.—There are authorized to be appropriated to carry out part E of title II, such sums as may be necessary for each of the fiscal years 1994 through 1998."

SEC. 383. AUTHORIZATION OF APPROPRIATIONS FOR TITLE IV.

Section 504 (42 U.S.C. 5084) is amended to read as follows:

"SEC. 504. ADMINISTRATION AND COORDINATION.

"(a) IN GENERAL.—For each of the fiscal years 1994 through 1998, there are authorized to be appropriated for the administration of this Act as provided for in title IV, 20 percent of the total amount appropriated under sections 501 and 502 with respect to such year.

"(b) EVALUATION AND CENTER FOR RESEARCH AND TRAINING.—For each of the fiscal years 1994 through 1998, the Director is authorized to expend not less than one-half of 1 percent, and not more than 1 percent, from the amounts appropriated under sections 501 and 502, for the purposes prescribed in sections 416 and 426."

SEC. 384. CONFORMING AMENDMENTS; COMPENSATION FOR VISTA FECA CLAIMANTS.

Section 8143(b) of title 5, United States Code, is amended by striking "GS-7" and inserting "GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 385. REPEAL OF AUTHORITY.

Title VII (42 U.S.C. 5091 et seq.) is repealed.

CHAPTER 5—GENERAL PROVISIONS

SEC. 381. TECHNICAL AND CONFORMING AMENDMENTS.

The Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) is amended by striking "That this Act" and all that follows through the end of the table of contents and inserting the following:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Domestic Volunteer Service Act of 1973'.

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

"Sec. 1. Short title; table of contents.

"Sec. 2. Volunteerism policy.

"TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

"PART A—VOLUNTEERS IN SERVICE TO AMERICA

"Sec. 101. Statement of purpose.

"Sec. 102. Authority to operate VISTA program.

"Sec. 103. Selection and assignment of volunteers.

- "Sec. 104. Terms and periods of service.
- "Sec. 105. Support service.
- "Sec. 106. Participation of beneficiaries.
- "Sec. 107. Participation of younger and older persons.
- "Sec. 108. Limitation.
- "Sec. 109. VISTA Literacy Corps.
- "Sec. 110. Applications for assistance.

"PART B—UNIVERSITY YEAR FOR VISTA

- "Sec. 111. Statement of purpose.
- "Sec. 112. Authority to operate University Year for VISTA program.
- "Sec. 113. Special conditions.

"PART C—SPECIAL VOLUNTEER PROGRAMS

- "Sec. 121. Statement of purpose.
- "Sec. 122. Authority to establish and operate special volunteer and demonstration programs.
- "Sec. 123. Technical and financial assistance for improvement of volunteer programs.
- "Sec. 125. Literacy challenge grants.

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS

- "Sec. 200. Statement of purposes.
- "PART A—RETIRED AND SENIOR VOLUNTEER PROGRAM**

- "Sec. 201. Grants and contracts for volunteer service projects.

"PART B—FOSTER GRANDPARENT PROGRAM

- "Sec. 211. Grants and contracts for volunteer service projects.

"PART C—SENIOR COMPANION PROGRAM

- "Sec. 213. Grants and contracts for volunteer service projects.

"PART D—GENERAL PROVISIONS

- "Sec. 221. Promotion of National Senior Volunteer Corps.
- "Sec. 222. Payments.
- "Sec. 223. Minority group participation.
- "Sec. 224. Use of locally generated contributions in National Senior Volunteer Corps.
- "Sec. 225. Programs of national significance.
- "Sec. 226. Adjustments to Federal financial assistance.
- "Sec. 227. Multiyear grants or contracts.

"PART E—DEMONSTRATION PROGRAMS

- "Sec. 231. Authority of Director.
- "Sec. 232. Prohibition.

"TITLE IV—ADMINISTRATION AND COORDINATION

- "Sec. 403. Political activities.
- "Sec. 404. Special limitations.
- "Sec. 406. Labor standards.
- "Sec. 408. Joint funding.
- "Sec. 409. Prohibition of Federal control.
- "Sec. 410. Coordination with other programs.
- "Sec. 411. Prohibition.
- "Sec. 412. Notice and hearing procedures for suspension and termination of financial assistance.
- "Sec. 414. Distribution of benefits between rural and urban areas.
- "Sec. 415. Application of Federal law.
- "Sec. 416. Evaluation.
- "Sec. 417. Nondiscrimination provisions.
- "Sec. 418. Eligibility for other benefits.
- "Sec. 419. Legal expenses.
- "Sec. 421. Definitions.
- "Sec. 422. Audit.
- "Sec. 423. Reduction of paperwork.
- "Sec. 424. Review of project renewals.
- "Sec. 425. Protection against improper use.
- "Sec. 426. Center for Research and Training.

"TITLE V—AUTHORIZATION OF APPROPRIATIONS

- "Sec. 501. National volunteer antipoverty programs.

"Sec. 502. National Senior Volunteer Corps.

"Sec. 504. Administration and coordination.

"Sec. 505. Availability of appropriations.

"TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

"Sec. 601. Supersedece of Reorganization Plan No. 1 of July 1, 1971.

"Sec. 602. Creditable service for civil service retirement.

"Sec. 603. Repeal of title VIII of the Economic Opportunity Act.

"Sec. 604. Repeal of title VI of the Older Americans Act."

SEC. 392. EFFECTIVE DATE.

This subtitle shall become effective on October 1, 1993.

Subtitle C—Youth Conservation Corps Act of 1970

SEC. 399. PUBLIC LANDS CORPS.

Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the "Youth Conservation Corps Act of 1970") is amended—

(1) by inserting before section 1 the following:

"TITLE I—YOUTH CONSERVATION CORPS";

(2) by striking "Act" each place such term appears and inserting "title";

(3) by redesignating sections 1 through 6 as sections 101 through 106, respectively;

(4) in subsection (a) of section 102 (as redesignated by paragraph (3)), by inserting "in this title" after "hereinafter";

(5) in subsection (d) of section 104 (as redesignated by paragraph (3)), by striking "section 6" and inserting "section 106"; and

(6) by adding at the end the following new title:

"TITLE II—PUBLIC LANDS CORPS

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Public Lands Corps Act of 1993'.

"SEC. 202. CONGRESSIONAL FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds the following:

"(1) Conserving or developing natural and cultural resources and enhancing and maintaining environmentally important lands and waters through the use of the Nation's young men and women in a Public Lands Corps can benefit those men and women by providing such men and women with education and work opportunities, furthering their understanding and appreciation of the natural and cultural resources, and providing a means to pay for higher education or to repay indebtedness such men and women have incurred to obtain higher education while at the same time benefiting the Nation's economy and environment.

"(2) Many facilities and natural resources located on public lands and on Indian lands are in disrepair or degraded and in need of labor intensive rehabilitation, restoration, and enhancement work that cannot be carried out by Federal agencies at existing personnel levels.

"(3) Youth conservation corps have established a good record of restoring and maintaining these kinds of facilities and resources in a cost effective and efficient manner, especially when the corps have worked in partnership arrangements with government land management agencies.

"(b) PURPOSE.—It is the purpose of this title to—

"(1) perform, in a cost-effective manner, appropriate conservation projects on public lands and Indian lands where such projects will not be performed by existing employees;

"(2) assist governments and Indian tribes in performing research and public education tasks associated with natural and cultural resources on public lands and Indian lands;

"(3) expose young men and women to public service while furthering their understanding

and appreciation of the Nation's natural and cultural resources;

"(4) expand educational opportunities by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training; and

"(5) stimulate interest among the Nation's young men and women in conservation careers by exposing such men and women to conservation professionals in land managing agencies.

"SEC. 203. DEFINITIONS.

"For purposes of this title:

"(1) APPROPRIATE CONSERVATION PROJECT.—The term 'appropriate conservation project' means any project for the conservation, restoration, construction, or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

"(2) CORPS AND PUBLIC LANDS CORPS.—The terms 'Corps' and 'Public Lands Corps' mean the Public Lands Corps established under section 204.

"(3) INDIAN TRIBE.—The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(4) INDIAN.—The term 'Indian' means a person who is a member of an Indian tribe.

"(5) INDIAN LANDS.—The term 'Indian lands' means—

"(A) any Indian reservation;

"(B) any public domain Indian allotments;

"(C) any former Indian reservation in the State of Oklahoma;

"(D) any land held by incorporated Native groups, regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.); and

"(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State.

"(6) PUBLIC LANDS.—The term 'public lands' means any lands or waters (or interest therein) owned or administered by the United States, except that such term does not include any Indian lands.

"(7) QUALIFIED YOUTH OR CONSERVATION CORPS.—The term 'qualified youth or conservation corps' means any program established by a State or local government, by the governing body of any Indian tribe, or by a nonprofit organization, that—

"(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25, inclusive, in a natural or cultural resource setting;

"(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

"(C) provides participants with the opportunity to develop citizenship values and skills through service to their community and the United States.

"(8) RESOURCE ASSISTANT.—The term 'resource assistant' means a resource assistant selected under section 206.

"(9) STATE.—The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 204. PUBLIC LANDS CORPS PROGRAM.

"(a) ESTABLISHMENT OF PUBLIC LANDS CORPS.—There is hereby established in the Department of the Interior and the Department of Agriculture a Public Lands Corps.

"(b) PARTICIPANTS.—The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretary of the Interior or the Secretary of Agriculture. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 137(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

"(c) QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary of the Interior and the Secretary of Agriculture are authorized to enter into contracts and cooperative agreements with any qualified youth or conservation corps to perform appropriate conservation projects referred to in subsection (d).

"(d) PROJECTS TO BE CARRIED OUT.—The Secretary of the Interior and the Secretary of Agriculture may each utilize the Corps or any qualified youth or conservation corps to carry out appropriate conservation projects that such Secretary is authorized to carry out under other authority of law on public lands. Appropriate conservation projects may also be carried out under this title on Indian lands with the approval of the Indian tribe involved.

"(e) PREFERENCE FOR CERTAIN PROJECTS.—In selecting appropriate conservation projects to be carried out under this title, the Secretary of the Interior and the Secretary of Agriculture shall give preference to those projects that—

"(1) will provide long-term benefits to the public;

"(2) will instill in the enrollee involved a work ethic and a sense of public service;

"(3) will be labor intensive;

"(4) can be planned and initiated promptly; and

"(5) will provide academic, experiential, or environmental education opportunities.

"(f) CONSISTENCY.—Each appropriate conservation project carried out under this title on any public lands or Indian lands shall be consistent with the provisions of law and policies relating to the management and administration of such lands, with all other applicable provisions of law, and with all management, operational, and other plans and documents that govern the administration of the area.

"SEC. 205. CONSERVATION CENTERS.

"(a) ESTABLISHMENT AND USE.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide such quarters, board, medical care, transportation, and other services, facilities, supplies, and equipment as such Secretary determines to be necessary in connection with the Public Lands Corps and appropriate conservation projects carried out under this title and to establish and use conservation centers owned and operated by such Secretary for purposes of the Corps and such projects. The Secretaries shall establish basic standards of health, nutrition, sanitation, and safety for all conservation centers established under this section and shall assure that such standards are enforced. Where necessary or appropriate, the Secretaries may enter into contracts and other appropriate arrangements with State and local government agencies and private organizations for the management of such conservation centers.

"(b) LOGISTICAL SUPPORT.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of

Defense to have logistical support provided by the Armed Forces to the Corps and any conservation center established under this section, where feasible. Logistical support may include the provision of temporary tent shelters where needed, transportation, and residential supervision.

"(c) USE OF MILITARY INSTALLATIONS.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to identify military installations and other facilities of the Department of Defense and, in consultation with the adjutant generals of the State National Guards, National Guard facilities that may be used, in whole or in part, by the Corps for training or housing Corps participants.

"SEC. 206. RESOURCE ASSISTANTS.

"(a) AUTHORIZATION.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide individual placements of resource assistants with any Federal land managing agency under the jurisdiction of such Secretary to carry out research or resource protection activities on behalf of the agency. To be eligible for selection as a resource assistant, an individual shall be at least 17 years of age. The Secretaries may select resource assistants without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The Secretaries shall give a preference to the selection of individuals who are enrolled in an institution of higher education or are recent graduates from an institution of higher education, as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)) with particular attention given to ensure the full representation of women and participants from historically black, Hispanic, and Native American schools.

"(b) USE OF EXISTING NONPROFIT ORGANIZATIONS.—Whenever one or more existing nonprofit organizations can provide, in the judgment of the Secretary of the Interior or the Secretary of Agriculture, appropriate recruitment and placement services to fulfill the requirements of this section, the Secretary may implement this section through such existing organizations. Participating nonprofit organizations shall contribute to the expenses of providing and supporting the resource assistants, through private sources of funding, at a level equal to 25 percent of the total costs of each participant in the Resource Assistant program who has been recruited and placed through that organization. Any such participating nonprofit conservation service organization shall be required, by the respective land managing agency, to submit an annual report evaluating the scope, size, and quality of the program, including the value of work contributed by the Resource Assistants, to the mission of the agency.

"SEC. 207. LIVING ALLOWANCES AND TERMS OF SERVICE.

"(a) LIVING ALLOWANCES.—The Secretary of the Interior and the Secretary of Agriculture shall provide each participant in the Public Lands Corps and each resource assistant with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

"(b) TERMS OF SERVICE.—Each participant in the Corps and each resource assistant shall agree to participate in the Corps or serve as a resource assistant, as the case may be, for such term of service as may be established by the Secretary enrolling or selecting the individual.

"SEC. 208. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) EDUCATIONAL BENEFITS AND AWARDS.—If a participant in the Public Lands Corps or a resource assistant also serves in an approved national service position designated under subtitle C of title I of the National and Community Service Act of 1990, the participant or resource assistant shall be eligible for a national service educational award in the manner prescribed in subtitle D of such title upon successfully complying with the requirements for the award. The period during which the national service educational award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

"(b) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are either participants in the Corps or resource assistants, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant or a resource assistant.

"SEC. 209. NONDISPLACEMENT.

"The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Public Lands Corps, to all activities carried out under this title by a qualified youth or conservation corps, and to the selection and service of resource assistants.

"SEC. 210. FUNDING.

"(a) COST SHARING.—

"(1) PROJECTS BY QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to pay not more than 75 percent, and shall collectively pay 75 percent, of the costs of any appropriate conservation project carried out pursuant to this title on public lands by a qualified youth or conservation corps. The remaining 25 percent of the costs of such a project may be provided from non-Federal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing. No cost sharing shall be required in the case of any appropriate conservation project carried out on Indian lands under this title.

"(2) PUBLIC LANDS CORPS PROJECTS.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Public Lands Corps and carrying out appropriate conservation projects by the Corps. The Department of Agriculture and the Department of the Interior shall comply with the Federal share requirements of section 129(d)(2)(B) of the National and Community Service Act of 1990.

"(b) FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.—In order to carry out the Public Lands Corps or to support resource assistants and qualified youth or conservation corps under this title, the Secretary of the Interior and the Secretary of Agriculture shall be eligible to apply for and receive assistance described in section 121(b) of the National and Community Service Act of 1990, from funds available under section 129(d)(2)."

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 401. DEFINITION OF DIRECTOR.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) the term 'Director' means the President of the Corporation for National and Community

Service appointed under section 193 of the National and Community Service Act of 1990;".

SEC. 402. REFERENCES TO ACTION AND THE ACTION AGENCY.

(a) **DOMESTIC VOLUNTEER SERVICE ACT OF 1973.**—

(1) Section 2(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950(b)) is amended—

(A) by striking "ACTION, the Federal domestic volunteer agency," and inserting "this Act"; and

(B) by striking "ACTION" and inserting "the Corporation for National and Community Service".

(2) Section 125(b) of such Act (42 U.S.C. 4995(b)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(3) Section 225(e) of such Act (42 U.S.C. 5025(e)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(4) Section 403(a) of such Act (42 U.S.C. 5043(a)) is amended—

(A) by striking "the ACTION Agency" the first place such term appears and inserting "the Corporation under this Act"; and

(B) by striking "the ACTION Agency" the second place such term appears and inserting "the Corporation".

(5) Section 408 of such Act (42 U.S.C. 5048) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(6) Section 421(12) of such Act (as added by section 403 of this Act) is further amended by striking "ACTION" and inserting "the Corporation".

(7) Section 425 of such Act (as added by section 370 of this Act) is further amended by striking "ACTION" and inserting "the Corporation".

(b) **CIVIL SERVICE RETIREMENT SYSTEM.**—Section 8332(j)(1) of title 5, United States Code (as amended by section 372(a)(1)(A)(iii)(II) of this Act) is amended by striking "the Director of ACTION" and inserting "the President of the Corporation for National and Community Service".

(c) **INSPECTOR GENERAL.**—

(1) **TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.**—Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking "ACTION".

(2) **TRANSFER.**—Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subparagraph (T), by striking "and" at the end; and

(B) by adding at the end the following:

"(V) of the Corporation for National and Community Service, the Office of Inspector General of ACTION; and".

(d) **PUBLIC HOUSING SECURITY.**—Section 207(c) of the Public Housing Security Demonstration Act of 1978 (Public Law 95-557; 92 Stat. 2093; 12 U.S.C. 1701z-6 note) is amended—

(1) in paragraph (3)(ii), by striking "ACTION" and inserting "the Corporation for National and Community Service"; and

(2) in paragraph (4), by striking "ACTION" and inserting "the Corporation for National and Community Service".

(e) **NATIONAL FOREST VOLUNTEERS.**—Section 1 of the Volunteers in the National Forests Act of 1972 (16 U.S.C. 558a) is amended by striking "ACTION" and inserting "the Corporation for National and Community Service".

(f) **PEACE CORPS.**—Section 2A of the Peace Corps Act (22 U.S.C. 2501-1) is amended by inserting after "the ACTION Agency" the following: ", the successor to the ACTION Agency".

(g) **INDIAN ECONOMIC DEVELOPMENT.**—Section 502 of the Indian Financing Act of 1974 (25 U.S.C. 1542) is amended by striking "ACTION Agency" and inserting "the Corporation for National and Community Service".

(h) **OLDER AMERICANS.**—The Older Americans Act of 1965 is amended—

(1) in section 202(c)(1) (42 U.S.C. 3012(c)(1)), by striking "the Director of the ACTION Agency" and inserting "the Corporation for National and Community Service";

(2) in section 203(a)(1) (42 U.S.C. 3013(a)(1)), by striking "the ACTION Agency" and inserting "the Corporation for National and Community Service"; and

(3) in section 422(b)(12)(C) (42 U.S.C. 3035a(b)(12)(C)), by striking "the ACTION Agency" and inserting "the Corporation for National and Community Service".

(i) **VISTA SERVICE EXTENSION.**—Section 101(c)(1) of the Domestic Volunteer Service Act Amendments of 1989 (Public Law 101-204; 103 Stat. 1810; 42 U.S.C. 4954 note) is amended by striking "Director of the ACTION Agency" and inserting "President of the Corporation for National and Community Service".

(j) **AGING RESOURCE SPECIALISTS.**—Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended—

(1) in paragraph (1)—

(A) by striking "the ACTION Agency," and inserting "the Corporation for National and Community Service,"; and

(B) by striking "the Director of the ACTION Agency" and inserting "the President of the Corporation";

(2) in paragraph (2)(A), by striking "ACTION Agency" and inserting "Corporation"; and

(3) in paragraph (3), by striking subparagraph (A) and inserting the following new subparagraph:

"(A) the term 'Corporation' means the Corporation for National and Community Service established by section 191 of the National and Community Service Act of 1990.".

(k) **PROMOTION OF PHOTOVOLTAIC ENERGY.**—Section 11(a) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5590) is amended by striking "the Director of ACTION".

(l) **COORDINATING COUNCIL ON JUVENILE JUSTICE.**—Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "the Director of the ACTION Agency" and inserting "the President of the Corporation for National and Community Service".

(m) **ENERGY CONSERVATION.**—Section 413(b)(1) of the Energy Conservation and Production Act (42 U.S.C. 6863(b)(1)) is amended by striking "the Director of the ACTION Agency".

(n) **INTERAGENCY COUNCIL ON THE HOMELESS.**—Section 202(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11312(a)) is amended by striking paragraph (12) and inserting the following new paragraph:

"(12) The President of the Corporation for National and Community Service, or the designee of the President."

(o) **ANTI-DRUG ABUSE.**—Section 3601 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) the term 'Director' means the President of the Corporation for National and Community Service."

(p) **ADMINISTRATION ON CHILDREN, YOUTH, AND FAMILIES.**—Section 916(b) of the Claude Pepper Young Americans Act of 1990 (42 U.S.C. 12312(b)) is amended by striking "the Director of the ACTION Agency" and inserting "the President of the Corporation for National and Community Service".

SEC. 403. DEFINITIONS.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(8) the term 'Corporation' means the Corporation for National and Community Service established under section 191 of the National and Community Service Act of 1990;

"(9) the term 'foster grandparent' means a volunteer in the Foster Grandparent Program;

"(10) the term 'Foster Grandparent Program' means the program established under part B of title II;

"(11) except as provided in section 417, the term 'individual with a disability' has the meaning given the term in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8));

"(12) the term 'Inspector General' means the Inspector General of ACTION;

"(13) the term 'national senior volunteer' means a volunteer in the National Senior Volunteer Corps;

"(14) the term 'National Senior Volunteer Corps' means the programs established under parts A, B, C, and E of title II;

"(15) the term 'Retired and Senior Volunteer Program' means the program established under part A of title II;

"(16) the term 'retired or senior volunteer' means a volunteer in the Retired and Senior Volunteer Program;

"(17) the term 'senior companion' means a volunteer in the Senior Companion Program;

"(18) the term 'Senior Companion Program' means the program established under part C of title II;

"(19) the terms 'VISTA' and 'Volunteers in Service to America' mean the program established under part A of title I; and

"(20) the term 'VISTA volunteer' means a volunteer in VISTA."

SEC. 404. REFERENCES TO THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) **NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.**—

(1) Section 1092(b) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 12653a note) is amended—

(A) in paragraph (1)—

(i) by striking "Commission on National Community Service" and inserting "Corporation for National and Community Service"; and

(ii) by striking "Commission shall prepare" and inserting "Board of Directors of the Corporation shall prepare"; and

(B) in paragraph (2), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Board of Directors of the Corporation for National and Community Service".

(2) Section 1093(a) of such Act (42 U.S.C. 12653a note) is amended by striking "the Board of Directors and Executive Director of the Commission on National and Community Service" and inserting "the Board of Directors and President of the Corporation for National and Community Service".

(3) Section 1094 of such Act (Public Law 102-484; 106 Stat. 2535) is amended—

(A) in the title, by striking "**COMMISSION ON NATIONAL AND COMMUNITY SERVICE**" and inserting "**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**";

(B) in subsection (a)—

(i) in the heading, by striking "COMMISSION" and inserting "CORPORATION";

(ii) in the first sentence, by striking "Commission on National and Community Service" and inserting "Corporation for National and Community Service"; and

(iii) in the second sentence, by striking "The Commission" and inserting "The President of the Corporation"; and

(C) in subsection (b)—

(i) in paragraph (1), by striking "Board of Directors of the Commission on National and Community Service" and inserting "President of the Corporation for National and Community Service"; and

(ii) in paragraph (2), by striking "the Commission" and inserting "the President of the Corporation for National and Community Service".

(4) Section 1095 of such Act (Public Law 102-484; 106 Stat. 2535) is amended in the heading for subsection (b) by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE".

(5) Section 2(b) of such Act (Public Law 102-484; 106 Stat. 2315) is amended by striking the item relating to section 1094 of such Act and inserting the following:

"Sec. 1094. Other programs of the Corporation for National and Community Service."

(b) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) Sections 159(b)(2) (as redesignated in section 104(b)(3) of this Act) and 165 (as redesignated in section 104(b)(3) of this Act), subsections (a) and (b) of section 172, sections 176(a) and 177(c), and subsections (a), (b), and (d) through (h) of section 179, of the National and Community Service Act of 1990 (42 U.S.C. 12653h(b)(2), 12653n, 12632 (a) and (b), 12636(a), 12637(c), and 12639 (a), (b), and (d) through (h)) are each amended by striking the term "Commission" each place the term appears and inserting "Corporation".

(2) Sections 152, 157(b)(2), 159(b), 162(a)(2)(C), 164, and 166(1) of such Act (in each case, as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653a, 12653f(b)(2), 12653h(b), 12653k(a)(2)(C), 12653m, and 12653o(1)) are each amended by striking "Commission on National and Community Service" and inserting "Corporation".

(3) Section 163(b)(9) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12635l(b)(9)) is amended by striking "Chair of the Commission on National and Community Service" and inserting "President".

(4) Section 303(a) of such Act (42 U.S.C. 12662(a)) is amended—

(A) by striking "The President" and inserting "The President of the United States, acting through the Corporation,";

(B) by inserting "in furtherance of activities under section 302" after "section 501(b)"; and

(C) by striking "the President" both places it appears and inserting "the Corporation".

SEC. 405. REFERENCES TO DIRECTORS OF THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) PRESIDENT.—

(1) Section 159(a) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended—

(A) by striking "BOARD.—The Board" and inserting "SUPERVISION.—The President";

(B) by striking "the Board" in the matter preceding the paragraphs and in paragraph (1) and inserting "the President"; and

(C) by striking "the Director" in paragraph (1) and inserting "the Board".

(2) Section 159(b) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended by striking "(b)" and all that follows through "Commission on National and Community Service" and inserting "(b) MONITORING AND COORDINATION.—The President".

(3) Section 159(c)(1) (as redesignated in section 104(b)(3) of this Act) (12653h(c)(1)) is amended—

(A) in subparagraph (A), by striking "the Board, in consultation with the Executive Director," and inserting "President"; and

(B) in subparagraph (B)(iii), by striking "the Board through the Executive Director" and inserting "the President".

(4) Section 166(6) (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653o(6)) is amended—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) through (11) as paragraphs (6) through (10), respectively.

(b) DIRECTOR OF CIVILIAN COMMUNITY CORPS.—Sections 155(a), 157(b)(1)(A), 158(a), 159(c)(1)(A), and 163(a) (in each case, as redesignated in section 104(b)(3) of this Act) of the National and Community Service Act of 1990 (42 U.S.C. 12653d(a), 12653f(b)(1)(A), 12653g(a), 12653h(c)(1)(A), and 12653l(a)) are amended by striking "Director of Civilian Community Corps" each place the term appears and inserting "Director".

SEC. 406. EFFECTIVE DATE.

(a) ACTION.—The amendments made by sections 401 and 402 shall take effect on the effective date of section 203(c)(2).

(b) COMMISSION.—The amendments made by sections 403 through 405 will take effect on October 1, 1993.

Mr. WOFFORD addressed the Chair. The PRESIDING OFFICER. The Senator from Pennsylvania.

COMMITTEE SUBSTITUTE AMENDMENT, AS MODIFIED

Mr. WOFFORD. Mr. President, I am authorized by a majority of the Committee on Labor and Human Resources to modify the committee substitute, and I now send that modification to the desk.

The PRESIDING OFFICER. The committee substitute is so modified.

The amendment, with its modification, is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National and Community Service Trust Act of 1993".

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

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

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

Sec. 101. Federal investment in support of national service.
Sec. 102. National Service Trust and provision of national service educational awards.
Sec. 103. School-based and community-based service-learning programs.
Sec. 104. Quality and innovation activities.

Subtitle B—Related Provisions

Sec. 111. Definitions.
Sec. 112. Authority to make State grants.
Sec. 113. Family and medical leave.
Sec. 114. Reports.
Sec. 115. Nondiscrimination.
Sec. 116. Notice, hearing, and grievance procedures.
Sec. 117. Nondisplacement.
Sec. 118. Evaluation.
Sec. 119. Engagement of participants.
Sec. 120. Contingent extension.
Sec. 121. Audits.
Sec. 122. Repeals.
Sec. 123. Effective date.

TITLE II—ORGANIZATION

Sec. 201. State Commissions on National and Community Service.

Sec. 202. Interim authorities of the Corporation for National and Community Service and ACTION Agency.

Sec. 203. Final authorities of the Corporation for National and Community Service.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

Sec. 301. Authorization of appropriations.
Subtitle B—Domestic Volunteer Service Act of 1973

Sec. 311. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

Sec. 321. Purpose of the VISTA program.
Sec. 322. Selection and assignment of VISTA volunteers.

Sec. 323. Terms and periods of service.
Sec. 324. Support for VISTA volunteers.
Sec. 325. Participation of younger and older persons.

Sec. 326. Literacy activities.
Sec. 327. Applications for assistance.
Sec. 328. Repeal of authority for student community service programs.

Sec. 329. University year for VISTA.
Sec. 330. Authority to establish and operate special volunteer and demonstration programs.

Sec. 331. Technical and financial assistance.
Sec. 332. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

Sec. 341. National Senior Volunteer Corps.
Sec. 342. The Retired and Senior Volunteer Program.

Sec. 343. Operation of the Retired and Senior Volunteer Program.
Sec. 344. Services under the Foster Grandparent Program.

Sec. 345. Stipends for low-income volunteers.
Sec. 346. Participation of non-low-income persons under parts B and C.

Sec. 347. Conditions of grants and contracts.
Sec. 348. Evaluation of the Senior Companion Program.

Sec. 349. Agreements with other Federal agencies.
Sec. 350. Programs of national significance.

Sec. 351. Adjustments to Federal financial assistance.
Sec. 352. Demonstration programs.

CHAPTER 3—ADMINISTRATION

Sec. 361. Purpose of agency.
Sec. 362. Authority of the Director.
Sec. 363. Compensation for volunteers.

Sec. 364. Repeal of report.
Sec. 365. Application of Federal law.
Sec. 366. Evaluation of programs.

Sec. 367. Nondiscrimination provisions.
Sec. 368. Elimination of separate requirements for setting regulations.

Sec. 369. Clarification of role of Inspector General.
Sec. 370. Copyright protection.

Sec. 371. Center for research and training.
Sec. 372. Deposit requirement credit for service as a volunteer.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

Sec. 381. Authorization of appropriations for title I.
Sec. 382. Authorization of appropriations for title II.

Sec. 383. Authorization of appropriations for title IV.
Sec. 384. Conforming amendments; compensation for VISTA FECA claimants.

Sec. 385. Repeal of authority.

CHAPTER 5—GENERAL PROVISIONS

- Sec. 391. Technical and conforming amendments.
- Sec. 392. Effective date.
- Subtitle C—Youth Conservation Corps Act of 1970
- Sec. 399. Public Lands Corps.
- TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS
- Sec. 401. Definitions.
- Sec. 402. References to the Commission on National and Community Service.
- Sec. 403. References to Directors of the Commission on National and Community Service.
- Sec. 404. Definition of Director.
- Sec. 405. References to ACTION and the ACTION Agency.
- Sec. 406. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) IN GENERAL.—Section 2 of the National and Community Service Act of 1990 (42 U.S.C. 12501) is amended to read as follows:

"SEC. 2. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds the following:

"(1) Throughout the United States, there are pressing unmet human, educational, environmental, and public safety needs.

"(2) Americans desire to affirm common responsibilities and shared values, and join together in positive experiences, that transcend race, religion, gender, age, disability, region, income, and education.

"(3) The rising costs of postsecondary education are putting higher education out of reach for an increasing number of citizens.

"(4) Americans of all ages can improve their communities and become better citizens through service to the United States.

"(5) Nonprofit organizations, local governments, States, and the Federal Government are already supporting a wide variety of national service programs that deliver needed services in a cost-effective manner.

"(6) Residents of low-income communities, especially youth and young adults, can be empowered through their service, and can help provide future community leadership.

"(b) PURPOSES.—It is the purpose of this Act to—

"(1) meet the unmet human, educational, environmental, and public safety needs of the United States, without displacing existing workers;

"(2) renew the ethic of civic responsibility and the spirit of community throughout the United States;

"(3) expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training;

"(4) encourage citizens of the United States, regardless of race, religion, gender, age, disability, region, income, or education, to engage in full-time or part-time national service;

"(5) reinvent government to eliminate duplication in national service programs, support locally established service initiatives, encourage private sector investment and involvement in national service programs, and require measurable goals for performance in such programs and offer flexibility in meeting those goals;

"(6) empower residents of low-income communities, especially youth and young adults, through their service, and help provide future community leadership;

"(7) build on the existing organizational service infrastructure of Federal, State, and local programs and agencies to expand full-

time and part-time service opportunities for all citizens;

"(8) provide tangible benefits to the communities in which national service is performed;

"(9) build ties among Americans that transcend race, religion, gender, age, disability, region, income, and education;

"(10) encourage educational reform by introducing service-learning into curricula in elementary schools, secondary schools, and institutions of higher education; and

"(11) enable service participants to gain personal, academic, and occupational skills through service-learning experiences."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 2 and inserting the following new item:

"Sec. 2. Findings and purpose."

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

SEC. 101. FEDERAL INVESTMENT IN SUPPORT OF NATIONAL SERVICE.

(a) ASSISTANCE PROGRAM AUTHORIZED.—Subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12541 et seq.) is amended to read as follows:

"Subtitle C—National Service Trust Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) PROVISION OF ASSISTANCE.—The Corporation may make grants to States, subdivisions of States, Indian tribes, public and private not-for-profit organizations (including labor organizations and community action agencies), and institutions of higher education for the purpose of assisting the recipients of the grants by paying for the Federal share of—

"(1) carrying out full- or part-time national service programs, including summer programs, described in section 122(a); and

"(2) making grants in support of other national service programs described in section 122(a) that are carried out by other entities.

"(b) AGREEMENTS WITH FEDERAL AGENCIES.—

"(1) IN GENERAL.—The Corporation may enter into a contract or cooperative agreement with another Federal agency to support a national service program carried out by the agency. The support provided by the Corporation pursuant to the contract or cooperative agreement may include the transfer to the Federal agency of funds available to the Corporation under this subtitle.

"(2) NONDUPLICATION.—A Federal agency that enters into a contract or cooperative agreement under paragraph (1) to support a national service program within a State—

"(A) shall consult with the State Commission serving the State to avoid duplication with any service program that is in existence in the State as of the date of the contract or cooperative agreement; and

"(B) shall, in an appropriate case, enter into a contract or cooperative agreement with an entity that is carrying out a service program described in subparagraph (A) that is of high quality, in order to support the national service program.

"(3) APPLICATION OF REQUIREMENTS.—A Federal agency receiving assistance under this subsection shall comply with the Federal share requirements of section 129(d)(2)(B). The supplementation require-

ments specified in section 173 shall apply with respect to the Federal national service programs supported with such assistance.

"(c) PROVISION OF APPROVED NATIONAL SERVICE POSITIONS.—As part of the provision of assistance under subsections (a) and (b), the Corporation shall—

"(1) approve the provision of national service educational awards described in subtitle D for the participants who serve in national service programs carried out using such assistance; and

"(2) deposit in the National Service Trust established in section 145(a) an amount equal to the product of—

"(A) the value of a national service educational award under section 147; and

"(B) the total number of approved national service positions to be provided.

"(d) FIVE PERCENT LIMITATION ON ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to the original recipient of a grant or transfer of assistance under subsection (a) or (b) for a fiscal year may be used to pay for administrative costs (including indirect costs) incurred by—

"(A) the recipient of the assistance; and

"(B) national service programs carried out or supported with the assistance.

"(2) RULES ON USE.—The Corporation may by rule prescribe the manner and extent to which—

"(A) assistance provided under subsection (a) or (b) may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient of the grant or transfer of assistance under such subsection; and

"(ii) national service programs carried out or supported with the assistance.

"(e) MATCHING FUNDS REQUIREMENTS.—

"(1) REQUIREMENTS.—Except as provided in sections 129(d)(2)(B) and 140, the Federal share of the cost of carrying out a national service program that receives the assistance under subsection (a), whether the assistance is provided directly or as a subgrant from the original recipient of the assistance, may not exceed 75 percent of such cost.

"(2) CALCULATION.—

"(A) IN GENERAL.—In providing for the remaining share of the cost of carrying out a national service program, the program—

"(i) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(ii) may provide for such share through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service laws).

"(B) COST OF HEALTH CARE.—In providing for such remaining share through a payment in cash, a national service program may count not more than 85 percent of the cost of providing health care policy described in section 140(d)(2) toward such share.

"(3) WAIVER.—The Corporation may waive in whole or in part the requirements of paragraph (1) with respect to a national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGIBLE FOR PROGRAM ASSISTANCE.

"(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—The recipient of a grant under section 121(a) and each Federal agency receiving

assistance under section 121(b) shall use the assistance, directly or through subgrants to other entities, to carry out full- or part-time national service programs, including summer programs, that address unmet human, educational, environmental, or public safety needs. Subject to subsection (b)(1), these national service programs may include the following types of national service programs:

"(1) A community corps program that meets unmet human, educational, environmental, or public safety needs and promotes greater community unity through the use of organized teams of participants of varied social and economic backgrounds, skill levels, capabilities, ages, ethnic backgrounds, or genders.

"(2) A full-time youth corps program, carried out during the summer or throughout the full calendar year, such as a conservation corps or youth service corps (including a conservation corps or youth service corps that performs service on Federal or other public lands or on Indian lands), that—

"(A) undertakes meaningful service projects with visible benefits to a community, including natural resource, urban renovation, rural development, or human services projects;

"(B) includes as participants youths and young adults between the ages of 16 and 25, inclusive, including out-of-school youths, other economically disadvantaged youths, and individuals with disabilities, who are between those ages; and

"(C) provides those participants who are youths and young adults with—

"(i) crew-based, highly structured, and adult-supervised work experience, life skills, education, career guidance and counseling, employment training, and support services; and

"(ii) the opportunity to develop citizenship values and skills through service to their community and the United States.

"(3) A program that provides specialized training to individuals in service-learning and places the individuals after such training in positions, including positions as service-learning coordinators, to facilitate service-learning in programs eligible for funding under part I subtitle B.

"(4) A service program that is targeted at specific unmet human, educational, environmental, or public safety needs and that—

"(A) recruits individuals with special skills or provides specialized preservice training to enable participants to be placed individually or in teams in positions in which the participants can meet such unmet needs; and

"(B) brings participants together for additional training and other activities designed to foster civic responsibility, increase the skills of participants, and improve the quality of the service provided.

"(5) An individualized placement program that includes regular group activities, such as leadership training and special service projects.

"(6) A campus-based program that is designed to provide substantial service in a community during the school term and during summer or other vacation periods through the use of—

"(A) students who are attending an institution of higher education, including students participating in a work-study program assisted under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.);

"(B) teams composed of such students; or

"(C) teams composed of a combination of such students and community residents.

"(7) A preprofessional training program in which students enrolled in an institution of higher education—

"(A) receive training in specified fields, which may include classes containing service-learning;

"(B) perform service related to such training outside the classroom during the school term and during summer or other vacation periods; and

"(C) agree to provide service upon graduation to meet unmet human, educational, environmental, or public safety needs related to such training.

"(8) A professional corps program that recruits and places qualified participants in positions—

"(A) as teachers, nurses and other health care providers, police officers, early childhood development staff, or other professionals providing service to meet educational, human, environmental, or public safety needs in communities with an inadequate number of such professionals;

"(B) that may include a salary in excess of the maximum living allowance authorized in subsection (a)(3) of section 140, as provided in subsection (c) of such section; and

"(C) that are sponsored by public or private not-for-profit employers who agree to pay 100 percent of the salaries and benefits (other than any national service educational award under subtitle D) of the participants.

"(9) A program in which economically disadvantaged individuals who are between the ages of 16 and 24 years of age, inclusive, are provided with opportunities to perform service that, while enabling such individuals to obtain the education and employment skills necessary to achieve economic self-sufficiency, will help their communities meet—

"(A) the housing needs of low-income families and the homeless; and

"(B) the need for community facilities in low-income areas.

"(10) A national service entrepreneur program that identifies, recruits, and trains gifted young adults of all backgrounds and assists such adults in designing solutions to community problems.

"(11) An intergenerational program that combines students, out-of-school youths, and older adults as participants to provide needed community services, including an intergenerational component of a national service program described in any of paragraphs (1) through (10), or in paragraph (12) or (13).

"(12) A program, to be known as a 'Communities in Action program', carried out by not-for-profit organizations, including community action agencies or combinations of such agencies, to provide opportunities for individuals or teams of individuals to engage in local community projects that meet important unaddressed community and individual needs in low-income areas served by such a not-for-profit organization, including service projects to meet the unaddressed needs of economically disadvantaged youth age 18 and younger (including providing safe locations for after-school programs that provide opportunities for learning and recreation).

"(13) Such other national service programs addressing unmet human, educational, environmental, or public safety needs as the Corporation may designate.

"(b) QUALIFICATION CRITERIA TO DETERMINE ELIGIBILITY.—

"(1) ESTABLISHMENT BY CORPORATION.—The Corporation shall establish qualification criteria for different types of national service programs for the purpose of determining whether a particular national service program should be considered to be a national service program eligible to receive assistance or approved national service positions under this subtitle.

"(2) CONSULTATION.—In establishing qualification criteria under paragraph (1), the Corporation shall consult with organizations and individuals that have extensive experience in developing and administering effective national service programs.

"(3) APPLICATION TO SUBGRANTS.—The qualification criteria established by the Corporation under paragraph (1) shall also be used by each recipient of assistance under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs.

"(4) ENCOURAGEMENT OF INTERGENERATIONAL COMPONENTS OF PROGRAMS.—The Corporation shall encourage national service programs eligible to receive assistance or approved national service positions under this subtitle to establish, if consistent with the purposes of the program, an intergenerational component of the program that combines students, out-of-school youths, and older adults as participants to provide services to address unmet human, education, environmental, or public safety needs.

"(c) NATIONAL SERVICE PRIORITIES.—

"(1) ESTABLISHMENT BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to achieve the other purposes of this Act, the Corporation, after consultation with the State Commissions, may establish, and periodically alter, priorities regarding the types of national service programs to be assisted under section 121 and the purposes for which such assistance may be used.

"(2) NOTICE TO APPLICANTS.—

"(A) IN GENERAL.—The Corporation shall provide to potential applicants advance notice of any national service priorities to be in effect under this subsection for a fiscal year.

"(B) CONTENTS.—The notice shall specifically include—

"(i) a description of any alteration made in the priorities since the previous notice; and

"(ii) a description of the national service programs that are designated by the Corporation under section 133(d)(2) as eligible for priority consideration in the next competitive distribution of assistance under section 121(a).

"(C) REGULATIONS.—The Corporation shall by regulation establish procedures to ensure the equitable treatment of national service programs that—

"(i) receive funding under this subtitle for multiple years; and

"(ii) would be adversely affected by annual revisions in such national service priorities.

"(3) APPLICATION TO SUBGRANTS.—Any recipient of funds under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs shall, in conducting such a grant program, make reasonable efforts to use any national service priorities established by the Corporation under this subsection.

"SEC. 123. TYPES OF NATIONAL SERVICE POSITIONS ELIGIBLE FOR APPROVAL FOR NATIONAL SERVICE EDUCATIONAL AWARDS.

"The Corporation may approve of any of the following service positions as an approved national service position that includes the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position:

"(1) A position for a participant in a national service program described in section

122(a) that receives assistance under subsection (a) or (b) of section 121.

"(2) A position for a participant in a program that—

"(A) is carried out by a State, a subdivision of a State, an Indian tribe, a public or private not-for-profit organization (including a community action agency), an institution of higher education, or a Federal agency; and

"(B) would be eligible to receive assistance under section 121(a), based on criteria established by the Corporation, but has not applied for such assistance.

"(3) A position involving service as a VISTA volunteer under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.).

"(4) A position facilitating service-learning in a program described in section 122(a)(3) that is eligible for assistance under part I of subtitle B.

"(5) A position for a participant in the Civilian Community Corps under subtitle E.

"(6) A position involving service as a crew leader in a youth corps program or a similar position supporting a national service program that receives an approved national service position.

"(7) Such other national service positions as the Corporation considers to be appropriate.

"SEC. 124. TYPES OF PROGRAM ASSISTANCE.

"(a) PLANNING ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the planning of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 1 year.

"(b) OPERATIONAL ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the establishment, operation, or expansion of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(c) REPLICATION ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the expansion of a proven national service program to another geographical location. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(d) APPLICATION TO SUBGRANTS.—The requirements of this section shall apply to any State or other applicant receiving assistance under section 121 that proposes to conduct a grant program using the assistance to support other national service programs.

"SEC. 125. TRAINING AND TECHNICAL ASSISTANCE.

"(a) TRAINING PROGRAMS.—The Corporation may conduct, directly or by grant or contract, appropriate training programs regarding national service in order to—

"(1) improve the ability of national service programs assisted under section 121 to meet human, educational, environmental, or public safety needs in communities—

"(A) where services are needed most; and

"(B) where programs do not exist, or are too limited to meet community needs, as of the date on which the Corporation makes the grant or enters into the contract;

"(2) promote leadership development in such programs;

"(3) improve the instructional and programmatic quality of such programs to build an ethic of civic responsibility;

"(4) develop the management and budgetary skills of program operators; and

"(5) provide for or improve the training provided to the participants in such programs.

"(b) TECHNICAL ASSISTANCE.—The Corporation shall, where necessary, make appropriate technical assistance available to States, Indian tribes, labor organizations, organizations operated by young adults, organizations serving economically disadvantaged individuals, and other entities described in section 121 that desire—

"(1) to develop national service programs; or

"(2) to apply for assistance under such section or under a grant program conducted using assistance provided under such section.

"SEC. 126. OTHER SPECIAL ASSISTANCE.

"(a) SUPPORT FOR STATE COMMISSIONS.—

"(1) ASSISTANCE AUTHORIZED.—The Corporation may make assistance available to assist a State to establish or operate the State Commission on National and Community Service required to be established by the State under section 178.

"(2) AMOUNT OF ASSISTANCE.—The amount of assistance that may be provided to a State Commission under this subsection, together with other Federal funds available to establish or operate the State Commission, may not exceed—

"(A) 85 percent of the total cost to establish or operate the State Commission for the first year for which the State Commission receives assistance under this subsection; and

"(B) such smaller percentage of such cost as the Corporation may establish for the second, third, and fourth years of such assistance in order to ensure that the Federal share does not exceed 50 percent of such costs for the fifth year, and any subsequent year, for which the State Commission receives assistance under this subsection.

"(b) DISASTER SERVICE.—The Corporation may undertake activities, including activities carried out through part A of title I of the Domestic Volunteer Service Act of 1973, to involve in disaster relief efforts youth corps programs described in section 122(a)(2) and other programs that receive assistance under the national service laws.

"(c) CHALLENGE GRANTS FOR NATIONAL SERVICE PROGRAMS.—

"(1) ASSISTANCE AUTHORIZED.—

"(A) IN GENERAL.—The Corporation may make challenge grants under this subsection to national service programs that receive assistance under section 121.

"(B) CRITERIA.—The Corporation shall develop criteria for the selection of recipients of such challenge grants, so as to make the grants widely available to a variety of programs that—

"(i) are high-quality national service programs; and

"(ii) are carried out by entities with demonstrated experience in establishing and implementing projects that provide benefits to participants and communities.

"(2) AMOUNT OF ASSISTANCE.—A challenge grant under this subsection may provide not more than \$1 of assistance under this subsection for each \$1 in cash raised by the national service program from private sources in excess of amounts required to be provided by the program to satisfy matching funds requirements under section 121(e). The Corporation shall establish a ceiling on the amount of assistance that may be provided

to a national service program under this subsection.

"PART II—APPLICATION AND APPROVAL PROCESS

"SEC. 129. PROVISION OF ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS BY COMPETITIVE AND OTHER MEANS.

"(a) ALLOTMENTS OF ASSISTANCE AND APPROVED POSITIONS TO STATES AND INDIAN TRIBES.—

"(1) ALLOTMENT OF ASSISTANCE TO CERTAIN STATES.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall make a grant under section 121(a) (and a corresponding allotment of approved national service positions) to each of the several States (through the State Commission of the State), the District of Columbia, and the Commonwealth of Puerto Rico that has an application approved by the Corporation under section 133. The amount allotted as a grant to each such State under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 33⅓ percent of the allocated funds for that fiscal year as the population of the State bears to the total population of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(2) ALLOTMENT OF ASSISTANCE TO OTHER JURISDICTIONS AND INDIAN TRIBES.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve up to 1 percent of the allocated funds for grants under section 121(a) to Indian tribes, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted by the Corporation on a competitive basis in accordance with their respective needs. Palau shall also be eligible for a grant under this paragraph from the reserved funds until such time as the Compact of Free Association with Palau is ratified.

"(3) EFFECT OF FAILURE TO APPLY.—If a State or Indian tribe fails to apply for, or fails to give notice to the Corporation of its intent to apply for, an allotment under this subsection, the Corporation shall use the amount that would have been allotted under this subsection to the State or Indian tribe—

"(A) to make grants (and provide approved national service positions in connection with such grants) to other eligible entities under section 121 that propose to carry out national service programs in the State or on behalf of the Indian tribe; and

"(B) after making grants under paragraph (1), to make a reallocation to other States and Indian tribes with approved applications under section 130.

"(b) RESERVATION OF APPROVED POSITIONS.—

"(1) NUMBER RESERVED.—Except as provided in paragraph (2), the Corporation shall ensure that each individual selected during a fiscal year for assignment as a VISTA volunteer under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or as a participant in the Civilian Community Corps Demonstration Program under subtitle E shall receive the national service educational award described in subtitle D if the individual satisfies the eligibility requirements for the award. Funds for approved national service positions required by this paragraph for a fiscal year shall be deducted from the total funding for approved national service positions for that fiscal year.

"(2) TRANSITION.—The Corporation shall determine an equitable procedure for providing post-service educational awards to individuals who are selected for assignment as described in paragraph (1) after the date of enactment of this subtitle and before the effective date of section 203(c)(2) of the National and Community Service Trust Act of 1993.

"(c) RESERVATION FOR SPECIAL ASSISTANCE.—Subject to section 501(a)(2), of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation may reserve such amount as the Corporation considers to be appropriate for the purpose of making assistance available under sections 125 and 126. The Corporation may not reserve more than \$10,000,000 for a fiscal year for challenge grants under section 126(c).

"(d) COMPETITIVE DISTRIBUTION OF REMAINING FUNDS.—

"(1) STATE COMPETITION.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall use not less than 33½ percent of the allocated funds to make grants to States (through the State Commissions) on a competitive basis under section 121(a).

"(2) FEDERAL AGENCIES AND OTHER APPLICANTS.—

"(A) IN GENERAL.—The Corporation shall distribute on a competitive basis to subdivisions of States (through the State Commissions), Indian tribes, public and private not-for-profit organizations (including labor organizations and community action agencies), institutions of higher education, and Federal agencies the remainder of the funds allocated by the Corporation for provision of assistance under section 121 for a fiscal year, after operation of paragraph (1) and subsections (a) and (c).

"(B) FEDERAL SHARE.—Notwithstanding section 121(e), if a Federal agency proposes to carry out a national service program using funds made available under subparagraph (A), and the Federal agency is authorized to use funds made available under Federal law (other than the national service laws) to carry out such a program, the Federal share attributable to this paragraph of the cost of carrying out the national service program shall be 50 percent of such cost. The President may by regulation specify the sources that may be used by the Federal agency to provide for the remaining share of such cost.

"(C) FEDERAL AGENCIES.—The Corporation may not distribute more than 30 percent of such remainder to Federal agencies for a fiscal year under subparagraph (A).

"(D) LIMITATIONS.—The Corporation may limit the categories of eligible applicants for assistance under this paragraph consistent with the priorities established by the Corporation under section 133(d)(2).

"(3) PRIORITY.—In distributing the funds allocated by the Corporation for provision of assistance under section 121 for a fiscal year, after operation of subsections (a) and (c) and after using 33½ percent of such funds to make grants under paragraph (1), in determining whether to—

"(A) use an additional portion of the funds to make a grant under paragraph (1) to a State applicant; or

"(B) distribute the portion of the funds to an applicant that is a private not-for-profit organization under paragraph (2),

the Corporation shall give preference to the private not-for-profit organization in any

case in which the Corporation determines that the applicants have submitted applications of equal quality under section 130.

"(e) APPLICATION REQUIRED.—The allotment of assistance and approved national service positions to a State or Indian tribe under subsection (a), and the competitive distribution of assistance under subsection (d), shall be made by the Corporation only pursuant to an application submitted by a State or other applicant under section 130 and approved by the Corporation under section 133.

"(f) APPROVAL OF POSITIONS SUBJECT TO AVAILABLE FUNDS.—The Corporation may not approve positions as approved national service positions under this subtitle for a fiscal year in excess of the number of such positions for which the Corporation has sufficient available funds in the National Service Trust for that fiscal year to satisfy the maximum possible obligations to be incurred by the United States to provide the national service educational award corresponding to service in these positions.

"(g) SPONSORSHIP OF APPROVED NATIONAL SERVICE POSITIONS.—

"(1) SPONSORSHIP AUTHORIZED.—The Corporation may enter into agreements with persons or entities who offer to sponsor national service positions for which the person or entity will be responsible for supplying the funds necessary to provide a national service educational award. The distribution of these approved national service positions shall be made pursuant to the agreement, and the creation of these positions shall not be taken into consideration in determining the number of approved national service positions to be available for distribution under this section.

"(2) DEPOSIT OF CONTRIBUTION.—Funds provided pursuant to an agreement under paragraph (1) and any other funds contributed to the Corporation to support the activities of the Corporation under the national service laws shall be deposited in the National Service Trust established in section 145 until such time as the funds are needed.

"SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) TIME, MANNER, AND CONTENT OF APPLICATION.—To be eligible to receive assistance under section 121 and approved national service positions for participants who serve in the national service programs to be carried out using the assistance, a State, subdivision of a State, Indian tribe, public or private not-for-profit organization (including a community action agency), institution of higher education, or Federal agency shall prepare and submit to the Corporation an application at such time, in such manner, and containing such information as the Corporation may reasonably require.

"(b) TYPES OF APPLICATION INFORMATION.—In order to have adequate information upon which to consider an application under section 133, the Corporation—

"(1) may require that an applicant described in subsection (a) submit an application under subsection (a) containing—

"(A) a description of the national service programs proposed to be carried out directly by the applicant using assistance provided under section 121;

"(B) a description of the national service programs that are selected by the applicant to receive a grant from assistance requested under section 121 and a description of the process and criteria by which the programs were selected;

"(C) a description of other funding sources to be used, or sought to be used, for the na-

tional service programs referred to in subparagraphs (A) and (B), and, if the application is submitted for the purpose of seeking a renewal of assistance, a description of the success of the programs in reducing their reliance on Federal funds;

"(D) a description of the extent to which the projects to be conducted using the assistance will address unmet human, educational, environmental, or public safety needs and produce a direct benefit for the community in which the projects are performed;

"(E) a description of the plan to be used to recruit participants, including economically disadvantaged youth, for the national service programs referred to in subparagraphs (A) and (B);

"(F) a description of the manner in which the national service programs referred to in subparagraphs (A) and (B) build on existing programs, including Federal programs;

"(G) a description of the manner in which the national service programs referred to in subparagraphs (A) and (B) will involve participants—

"(i) in projects that build an ethic of civic responsibility and produce a positive change in the lives of participants through training and participation in meaningful service experiences and opportunities for reflection on such experiences; and

"(ii) in leadership positions in implementing and evaluating the program;

"(H) measurable goals for the national service programs referred to in subparagraphs (A) and (B), and a strategy to achieve such goals, in terms of—

"(i) the impact to be made in meeting unmet human, educational, environmental, or public safety needs; and

"(ii) the service experience to be provided to participants in the programs;

"(I) a description of the manner and extent to which the national service programs referred to in subparagraphs (A) and (B) conform to the national service priorities established by the Corporation under section 122(c);

"(J) a description of the past experience of the applicant in operating a comparable program or in conducting a grant program in support of other comparable programs;

"(K) a description of the type and number of proposed service positions in which participants will receive the national service educational award described in subtitle D and a description of the manner in which approved national service positions will be apportioned by the applicant;

"(L) a description of the manner and extent to which participants, representatives of the community served, community-based agencies with a demonstrated record of experience in providing services, and labor organizations contributed to the development of the national service programs referred to in subparagraphs (A) and (B), including the identity of the individual representing the labor organization who was consulted and the nature of the consultation;

"(M) a description of a plan to be used to encourage women to participate in programs referred to in subparagraphs (A) and (B); and

"(N) such other information as the Corporation may reasonably require; and

"(2) shall require that the applicant submit an application under subsection (a) containing—

"(A) a description of the jobs or positions into which participants will be placed using the assistance provided under section 121, including descriptions of specific tasks to be performed by such participants; and

"(B) a description of the minimum qualifications that individuals shall meet to become participants in such programs.

"(c) APPLICATION TO RECEIVE ONLY APPROVED NATIONAL SERVICE POSITIONS.—

"(1) APPLICABILITY OF SUBSECTION.—This subsection shall apply in the case of an application in which—

"(A) the applicant is not seeking assistance under subsection (a) or (b) of section 121, but requests national service educational awards for individuals serving in service positions described in section 123; or

"(B) the applicant requests national service educational awards for service positions described in section 123, but the positions are not positions in a national service program described in section 122(a) for which assistance may be provided under subsection (a) or (b) of section 121.

"(2) SPECIAL APPLICATION REQUIREMENTS.—For the applications described in paragraph (1), the Corporation shall establish special application requirements in order to determine—

"(A) whether the service positions meet unmet human, educational, environmental, or public safety needs and meet the criteria for assistance under this subtitle; and

"(B) whether the Corporation should approve the positions as approved national service positions that include the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position.

"(d) SPECIAL RULE FOR STATE APPLICANTS.—

"(1) SUBMISSION BY STATE COMMISSION.—The application of a State for approved national service positions or for a grant under section 121(a) shall be submitted by the State Commission.

"(2) COMPETITIVE SELECTION.—The application of a State shall contain an assurance that all assistance provided under section 121(a) to the State will be used to support national service programs that were selected by the State on a competitive basis.

"(3) ASSISTANCE TO NONSTATE ENTITIES.—The application of a State shall also contain an assurance that not less than 60 percent of the assistance will be used to make grants in support of national service programs other than national service programs carried out by a State agency. The Corporation may permit a State to deviate from the percentage specified by this paragraph if the State has not received a sufficient number of acceptable applications to comply with the percentage.

"(e) SPECIAL RULE FOR CERTAIN SERVICE SPONSORS.—In the case of a program applicant that proposes to serve as the service sponsor, the application shall include the written concurrence of any local labor organization representing employees of the applicant who are engaged in the same or substantially similar work as that proposed to be carried out.

"(f) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—No applicant shall submit an application under this section, and the Corporation shall reject an application that is submitted under this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

"SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE REQUIREMENTS.

"(a) IMPACT ON COMMUNITIES.—An application submitted under section 130 shall include an assurance by the applicant that any

national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) address unmet human, educational, environmental, or public safety needs through services that provide a direct benefit to the community in which the service is performed; and

"(2) comply with the nonduplication and nondisplacement requirements of section 177.

"(b) IMPACT ON PARTICIPANTS.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide participants in the national service program with the training, skills, and knowledge necessary for the projects that participants are called upon to perform;

"(2) provide support services to participants, such as the provision of appropriate information and support—

"(A) to those participants who are completing a term of service and making the transition to other educational and career opportunities; and

"(B) to those participants who are school dropouts in order to assist those participants in earning the equivalent of a high school diploma; and

"(3) provide structured opportunities for participants to reflect on their service experiences.

"(c) CONSULTATION.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide in the design, recruitment, and operation of the program for broad-based input from the community served, individuals eligible to serve as participants in the program, community-based agencies (including community action agencies) with a demonstrated record of experience in providing services, and local labor organizations representing employees of service sponsors;

"(2) prior to the placement of participants, consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program to ensure compliance with the nondisplacement requirements specified in section 177; and

"(3) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

"(d) EVALUATION AND PERFORMANCE GOALS.—

"(1) IN GENERAL.—An application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(A)(i) arrange for an independent evaluation of any national service program carried out using assistance provided to the applicant under section 121; or

"(ii) with the approval of the Corporation, conduct an internal evaluation of the program;

"(B) develop measurable performance goals and evaluation methods (such as the use of surveys of participants and persons served),

which are to be used as part of such evaluation to determine the impact of the program—

"(i) on communities and persons served by the projects performed by the program;

"(ii) on participants who take part in the projects; and

"(iii) in such other areas as the Corporation may require; and

"(C) cooperate with any evaluation activities undertaken by the Corporation.

"(2) ALTERNATIVE EVALUATION REQUIREMENTS.—The Corporation may establish alternative evaluation requirements for national service programs based upon the amount of assistance received under section 121 or received by a grant made by a recipient of assistance under such section. The determination of whether a national service program is covered by this paragraph shall be made in such manner as the Corporation may prescribe.

"(e) LIVING ALLOWANCES AND OTHER IN-SERVICE BENEFITS.—Except as provided in section 140(c), an application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(1) provide a living allowance and other benefits specified in section 140 to participants in any national service program carried out by the applicant using assistance provided under section 121; and

"(2) require that each national service program that receives a grant from the applicant using such assistance will also provide a living allowance and other benefits specified in section 140 to participants in the program.

"(f) SELECTION OF PARTICIPANTS FROM INDIVIDUALS RECRUITED BY CORPORATION OR STATE COMMISSIONS.—The Corporation may also require an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will select a portion of the participants for the program from among prospective participants recruited by the Corporation or State Commissions under section 138(d). The Corporation may specify a minimum percentage of participants to be selected from the national leadership pool established under section 138(e) and may vary the percentage for different types of national service programs.

"SEC. 132. INELIGIBLE SERVICE CATEGORIES.

"An application submitted to the Corporation under section 130 shall include an assurance by the applicant that any national service program carried out using assistance provided under section 121 and any approved national service position provided to an applicant will not be used to perform service that provides a direct benefit to any—

"(1) business organized for profit;

"(2) labor union;

"(3) partisan political organization; or

"(4) an organization engaged in religious activities, unless such service does not involve the use of assistance provided under section 121 or participants to give religious instruction, conduct worship services, provide instruction as part of a program that includes mandatory religious education or worship, construct, operate, or maintain facilities devoted to religious instruction or worship, or engage in any form of proselytization.

"SEC. 133. CONSIDERATION OF APPLICATIONS.

"(a) CORPORATION CONSIDERATION OF CERTAIN CRITERIA.—The Corporation shall apply the criteria described in subsections (c) and (d) in determining whether—

"(1) to approve an application submitted under section 130 and provide assistance under section 121 to the applicant; and

"(2) to approve service positions described in the application as national service positions that include the national service educational award described in subtitle D and provide such approved national service positions to the applicant.

"(b) APPLICATION TO SUBGRANTS.—

"(1) IN GENERAL.—A State or other entity that uses assistance provided under section 121(a) to support national service programs selected on a competitive basis to receive a share of the assistance shall use the criteria described in subsections (c) and (d) when considering an application submitted by a national service program to receive a portion of such assistance or an approved national service position.

"(2) CONTENTS.—The application of the State or other entity under section 130 shall contain—

"(A) a certification that the State or other entity complied with these criteria in the selection of national service programs to receive assistance;

"(B) a description of the jobs or positions into which participants will be placed using such assistance, including descriptions of specific tasks to be performed by such participants; and

"(C) a description of the minimum qualifications that individuals shall meet to become participants in such programs.

"(c) ASSISTANCE CRITERIA.—The criteria required to be applied in evaluating applications submitted under section 130 are as follows:

"(1) The quality of the national service program proposed to be carried out directly by the applicant or supported by a grant from the applicant.

"(2) The innovative aspects of the national service program, and the feasibility of replicating the program.

"(3) The sustainability of the national service program, based on evidence such as the existence—

"(A) of strong and broad-based community support for the program; and

"(B) of multiple funding sources or private funding for the program.

"(4) The quality of the leadership of the national service program, the past performance of the program, and the extent to which the program builds on existing programs.

"(5) The extent to which participants of the national service program are recruited from among residents of the communities in which projects are to be conducted, and the extent to which participants and community residents are involved in the design, leadership, and operation of the program.

"(6) The extent to which projects would be conducted in areas where such projects are needed most, such as—

"(A) communities designated as enterprise zones or redevelopment areas, targeted for special economic incentives, or otherwise identifiable as having high percentages or concentrations of low-income individuals;

"(B) areas that are environmentally distressed;

"(C) areas adversely affected by reductions in defense spending or the closure or realignment of military installations; and

"(D) areas—

"(i) that have experienced a substantial reduction in population, as determined by the Corporation; and

"(ii) with high numbers or percentages of economically disadvantaged older adults.

"(7) In the case of applicants other than States, the extent to which the application

is consistent with the application under section 130 of the State in which the projects would be conducted.

"(8) Such other criteria as the Corporation considers to be appropriate.

"(d) OTHER CONSIDERATIONS.—

"(1) GEOGRAPHIC DIVERSITY.—The Corporation shall ensure that recipients of assistance provided under section 121 are geographically diverse and include projects to be conducted in those urban and rural areas in a State with the highest rates of poverty.

"(2) PRIORITIES.—

"(A) IN GENERAL.—The Corporation may designate, under such criteria as may be established by the Corporation, certain national service programs or types of national service programs described in section 122(a) for priority consideration in the competitive distribution of funds under section 129(d)(2).

"(B) PROGRAMS DESIGNATED TO RECEIVE PRIORITY.—In designating national service programs to receive priority, the Corporation may include—

"(i) national service programs carried out by another Federal agency;

"(ii) national service programs that conform to the national service priorities in effect under section 122(c);

"(iii) innovative national service programs;

"(iv) national service programs that are well established in one or more States at the time of the application and are proposed to be expanded to additional States using assistance provided under section 121;

"(v) grant programs in support of other national service programs if the grant programs are to be conducted by not-for-profit organizations (including community action agencies) with a demonstrated and extensive expertise in the provision of services to meet human, educational, environmental, or public safety needs;

"(vi) professional corps programs described in section 122(a)(8); and

"(vii) programs that—

"(I) received funding under subtitle D of this Act, as in effect on the day before the date of enactment of this subtitle;

"(II) the Corporation determines to meet the requirements of sections 142 (other than subsection (g)), 143, and 148 through 150 of this Act, as in effect on such day, in addition to the requirements of this subtitle; and

"(III) include an evaluation component.

"(C) EXCEPTION.—In making a competitive distribution of funds under section 129(d)(2), the President may give priority consideration to a national service program that is—

"(i) proposed in an application submitted by a State Commission; and

"(ii) not one of the types of programs described in clauses (i) through (vi) of subparagraph (B)

if the State Commission provides an adequate explanation of the reasons why it should not be a priority of such State to carry out any of such types of programs in the State.

"(3) REVIEW PANEL.—The President shall—

"(A) establish panels of experts for the purpose of securing recommendations on applications submitted under section 130 for more than \$100,000 in assistance, or for national service positions that would require more than \$100,000 in national service educational awards; and

"(B) consider the opinions of such panels prior to making such determinations.

"(e) EMPHASIS ON AREAS MOST IN NEED.—In making assistance available under section 121 and in providing approved national service positions under section 123, the Corpora-

tion shall ensure that not less than 50 percent of the total amount of assistance to be distributed to States under subsections (a) and (d)(1) of section 129 for a fiscal year is provided to carry out or support national service programs and projects that—

"(1) are conducted in areas described in any of subparagraphs (A) through (D) of subsection (c)(6) or on Federal or other public lands, to address unmet human, educational, environmental, or public safety needs in such areas or on such lands; and

"(2) place a priority on the recruitment of participants who are residents of areas described in any of subparagraphs (A) through (D) of subsection (c)(6) or Federal or other public lands.

"(f) REJECTION OF STATE APPLICATIONS.—

"(1) NOTIFICATION OF STATE APPLICANTS.—If the Corporation rejects an application submitted by a State Commission under section 130 for funds described in section 129(a)(1), the Corporation shall promptly notify the State Commission of the reasons for the rejection of the application.

"(2) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State Commission notified under paragraph (1) with a reasonable opportunity to revise and resubmit the application. At the request of the State Commission, the Corporation shall provide technical assistance to the State Commission as part of the resubmission process. The Corporation shall promptly reconsider an application resubmitted under this paragraph.

"(3) REALLOTMENT.—The amount of any State's allotment under section 129(a) for a fiscal year that the Corporation determines will not be provided for that fiscal year shall be available for distribution by the Corporation as provided in paragraph (3) of such subsection.

"PART III—NATIONAL SERVICE PARTICIPANTS

"SEC. 137. DESCRIPTION OF PARTICIPANTS.

"(a) IN GENERAL.—For purposes of this subtitle, an individual shall be considered to be a participant in a national service program carried out using assistance provided under section 121 if the individual—

"(1) meets such eligibility requirements, directly related to the tasks to be accomplished, as may be established by the program;

"(2) is selected by the program to serve in a position with the program;

"(3) will serve in the program for a term of service specified in section 139 to be performed before, during, or after attendance at an institution of higher education;

"(4) is 17 years of age or older at the time the individual begins the term of service;

"(5)(A)(i) has received a high school diploma or its equivalent; or

"(ii) agrees to obtain a high school diploma or its equivalent and the individual did not drop out of an elementary or secondary school to enroll in the program; or

"(B)(i) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of section 484(d) of the Higher Education Act of 1965 (20 U.S.C. 1091(d)); and

"(ii) meets the requirements of section 484(a) of such Act; and

"(6) is a citizen of the United States or lawfully admitted for permanent residence.

"(b) SPECIAL RULES FOR CERTAIN YOUTH PROGRAMS.—An individual shall be considered to be a participant in a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9) that is carried out with assistance provided under section 121(a) if the individual—

"(1) satisfies the requirements specified in subsection (a), except paragraph (4) of such subsection; and

"(2) is between the ages of 16 and 25, inclusive, at the time the individual begins the term of service.

"(c) **WAIVER.**—The Corporation may waive the requirements of subsection (a)(5)(A) with respect to an individual if the program in which the individual seeks to become a participant conducts an independent evaluation demonstrating that the individual is incapable of obtaining a high school diploma or its equivalent.

"SEC. 138. SELECTION OF NATIONAL SERVICE PARTICIPANTS.

"(a) **SELECTION PROCESS.**—Subject to subsections (b) and (c) and section 131(f), the actual recruitment and selection of an individual to serve in a national service program receiving assistance under section 121 or to fill an approved national service position shall be conducted by the State, subdivision of a State, Indian tribe, public or private not-for-profit organization, institution of higher education, Federal agency, or other entity to which the assistance and approved national service positions are provided.

"(b) **NONDISCRIMINATION AND NONPOLITICAL SELECTION OF PARTICIPANTS.**—The recruitment and selection of individuals to serve in national service programs receiving assistance under section 121 or to fill approved national service positions shall be consistent with the requirements of section 175.

"(c) **SECOND TERM.**—Acceptance into a national service program to serve a second term of service under section 139 shall only be available to individuals who perform satisfactorily in their first term of service.

"(d) **RECRUITMENT AND PLACEMENT.**—The Corporation and each State Commission shall establish a system to recruit individuals who desire to perform national service and to assist the placement of these individuals in approved national service positions, including positions available under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951). The Corporation and State Commissions shall disseminate information regarding available approved national service positions through cooperation with secondary schools, institutions of higher education, employment service offices, State vocational rehabilitation agencies within the meaning of the Rehabilitation Act of 1973 and other State agencies that primarily serve individuals with disabilities, and other appropriate entities, particularly those organizations that provide outreach to economically disadvantaged youths or youths who are individuals with disabilities.

"(e) **NATIONAL LEADERSHIP POOL.**—

"(1) **SELECTION AND TRAINING.**—From among individuals recruited under subsection (d), the Corporation may select individuals with significant leadership potential, as determined by the Corporation, to receive special training to enhance their leadership ability. The leadership training shall be provided by the Corporation directly or through a grant or contract.

"(2) **EMPHASIS ON CERTAIN INDIVIDUALS.**—In selecting individuals to receive leadership training under this subsection, the Corporation shall make special efforts to select individuals who have served—

"(A) in the Peace Corps;

"(B) as VISTA volunteers;

"(C) as participants in national service programs receiving assistance under section 121; or

"(D) as participants in programs receiving assistance under subtitle D of the National

and Community Service Act of 1990, as in effect on the day before the date of enactment of this subtitle.

"(3) **ASSIGNMENT.**—At the request of a program that receives assistance under the national service laws, the Corporation may assign an individual who receives leadership training under paragraph (1) to work with the program in a leadership position and carry out assignments not otherwise performed by regular participants. An individual assigned to a program shall be considered to be a participant of the program.

"SEC. 139. TERMS OF SERVICE.

"(a) **IN GENERAL.**—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform full- or part-time national service for at least one term of service specified in subsection (b).

"(b) **TERM OF SERVICE.**—

"(1) **FULL-TIME SERVICE.**—An individual performing full-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of not less than 9 months and not more than 1 year.

"(2) **PART-TIME SERVICE.**—Except as provided in paragraph (3), an individual performing part-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of—

"(A) not less than 1 year and not more than 2 years; or

"(B) not less than 1 year and not more than 3 years if the individual is enrolled in an institution of higher education while performing all or a majority of the hours of such service.

"(3) **REDUCTION IN HOURS OF PART-TIME SERVICE.**—The Corporation may reduce the number of hours required to be served to successfully complete part-time national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

"(c) **RELEASE FROM COMPLETING TERM OF SERVICE.**—

"(1) **RELEASE AUTHORIZED.**—A recipient of assistance under section 121 or a program sponsoring an approved national service position may release a participant from completing a term of service in the position—

"(A) for compelling personal circumstances as demonstrated by the participant; or

"(B) for cause.

"(2) **EFFECT OF RELEASE.**—If the released participant was serving in an approved national service position, the participant may receive a portion of the national service educational award corresponding to that service in the manner provided in section 147(b), except that a participant released for cause may not receive any portion of the national service educational award.

"SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE PARTICIPANTS.

"(a) **PROVISION OF LIVING ALLOWANCE.**—

"(1) **LIVING ALLOWANCE PERMITTED.**—Subject to paragraph (3), a national service program carried out using assistance provided under section 121 shall provide to each participant in the program a living allowance in such an amount as may be established by the program.

"(2) **LIMITATION ON FEDERAL SHARE.**—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under section 121 and using any other Federal funds shall not exceed the lesser of—

"(A) 85 percent of the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(B) 85 percent of the annual living allowance established by the national service program involved.

"(3) **MAXIMUM LIVING ALLOWANCE.**—Except as provided in subsection (c), the total amount of an annual living allowance that may be provided to a participant in a national service program shall not exceed 200 percent of the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) **PRORATION OF LIVING ALLOWANCE.**—The amount provided as a living allowance under this subsection shall be prorated in the case of a participant who is authorized to serve a reduced term of service under section 139(b)(3).

"(b) **COVERAGE OF CERTAIN EMPLOYMENT-RELATED TAXES.**—To the extent a national service program that receives assistance under section 121 is subject, with respect to the participants in the program, to the taxes imposed on an employer under sections 3111 and 3301 of the Internal Revenue Code of 1986 (26 U.S.C. 3111, 3301) and taxes imposed on an employer under a workmen's compensation act, the assistance provided to the program under section 121 shall include an amount sufficient to cover 85 percent of such taxes based upon the lesser of—

"(1) the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(2) the annual living allowance established by the program.

"(c) **EXCEPTION FROM MAXIMUM LIVING ALLOWANCE FOR CERTAIN ASSISTANCE.**—A professional corps program described in section 122(a)(8) that desires to provide a living allowance in excess of the maximum allowance authorized in subsection (a)(3) may still apply for such assistance, except that—

"(1) any assistance provided to the applicant under section 121 may not be used to pay for any portion of the allowance;

"(2) the applicant shall apply for such assistance only by submitting an application to the Corporation for assistance on a competitive basis; and

"(3) the national service program shall be operated directly by the applicant and shall meet urgent, unmet human, educational, environmental, or public safety needs, as determined by the Corporation.

"(d) **HEALTH INSURANCE.**—

"(1) **IN GENERAL.**—A State or other recipient of assistance under section 121 shall provide a basic health care policy for each full-time participant in a national service program carried out or supported using the assistance if the participant is not otherwise covered by a health care policy. Not more than 85 percent of the cost of a premium shall be provided by the Corporation, with the remaining cost paid by the entity receiving assistance under section 121. The Corporation shall establish minimum standards that all plans shall meet in order to qualify for payment under this part, any circumstances in which an alternative health care policy may be substituted for the basic

health care policy, and mechanisms to prohibit participants from dropping existing coverage.

"(2) OPTION.—A State or other recipient of assistance under section 121 may elect to provide from the funds of the State or recipient a health care policy for participants that does not meet all of the standards established by the Corporation if the fair market value of such policy is equal to or greater than the fair market value of a plan that meets the minimum standards established by the Corporation, and is consistent with other applicable laws.

"(e) CHILD CARE.—

"(1) AVAILABILITY.—A State or other recipient of assistance under section 121 shall—

"(A) make child care available for children of each full-time participant who serves in a national service program carried out or supported by the recipient using the assistance, including individuals who need such child care in order to participate in the program; or

"(B) provide a child care allowance to each full-time participant in a national service program who needs such assistance in order to participate in the program.

"(2) GUIDELINES.—The Corporation shall establish guidelines regarding the circumstances under which child care shall be made available under this subsection and the value of any allowance to be provided.

"(f) WAIVER OF LIMITATION ON FEDERAL SHARE.—The Corporation may waive in whole or in part the limitation on the Federal share specified in this section with respect to a particular national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 141. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) ELIGIBILITY GENERALLY.—A participant in a national service program carried out using assistance provided to an applicant under section 121 shall be eligible for the national service educational award described in subtitle D if the participant—

"(1) serves in an approved national service position; and

"(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(b) SPECIAL RULE FOR VISTA VOLUNTEERS.—A VISTA volunteer who serves in an approved national service position shall be ineligible for a national service educational award if the VISTA volunteer accepts the stipend authorized under section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(a)(1))."

"(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle C of title I of such Act and inserting the following new items:

"Subtitle C—National Service Trust Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"Sec. 121. Authority to provide assistance and approved national service positions.

"Sec. 122. Types of national service programs eligible for program assistance.

"Sec. 123. Types of national service positions eligible for approval for national service educational awards.

"Sec. 124. Types of program assistance.

"Sec. 125. Training and technical assistance.

"Sec. 126. Other special assistance.

"PART II—APPLICATION AND APPROVAL PROCESS

"Sec. 129. Provision of assistance and approved national service positions by competitive and other means.

"Sec. 130. Application for assistance and approved national service positions.

"Sec. 131. National service program assistance requirements.

"Sec. 132. Ineligible service categories.

"Sec. 133. Consideration of applications.

"PART III—NATIONAL SERVICE PARTICIPANTS

"Sec. 137. Description of participants.

"Sec. 138. Selection of national service participants.

"Sec. 139. Terms of service.

"Sec. 140. Living allowances for national service participants.

"Sec. 141. National service educational awards."

SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF NATIONAL SERVICE EDUCATIONAL AWARDS.

(a) ESTABLISHMENT OF TRUST; PROVISION OF AWARDS.—Subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) is amended to read as follows:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE TRUST.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States an account to be known as the National Service Trust. The Trust shall consist of—

"(1) from the amounts appropriated to the Corporation and made available to carry out this subtitle pursuant to section 501(a)(2), such amounts as the Corporation may designate to be available for the payment of—

"(A) national service educational awards; and

"(B) interest expenses pursuant to subsection 148(e);

"(2) any amounts received by the Corporation as gifts, bequests, devise, or otherwise pursuant to section 196(a)(2); and

"(3) the interest on, and proceeds from the sale or redemption of, any obligations held by the Trust.

"(b) INVESTMENT OF TRUST.—It shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated to the Trust. Except as otherwise expressly provided in instruments concerning a gift, bequest, devise, or other donation and agreed to by the Corporation, such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the marketplace. Any obligation acquired by the Trust may be sold by the Secretary at the market price.

"(c) EXPENDITURES FROM TRUST.—Amounts in the Trust shall be available for payments of national service educational awards in accordance with section 148.

"(d) REPORTS TO CONGRESS ON RECEIPTS AND EXPENDITURES.—The Corporation shall submit an annual report to the Congress on the financial status of the Trust. Such report shall—

"(1) specify the amount deposited to the Trust from the most recent appropriation to

the Corporation, the amount received by the Corporation as gifts or bequest during the period covered by the report, and any amounts obtained by the Trust pursuant to subsection (a)(3);

"(2) identify the number of individuals who are currently performing service to qualify, or have qualified, for national service educational awards;

"(3) identify the number of individuals whose ability to claim national service educational awards during the period covered by the report—

"(A) has been reduced pursuant to section 147(b); or

"(B) has lapsed pursuant to section 146(d); and

"(4) estimate the number of additional approved national service positions which the Corporation will be able to make available under subtitle C on the basis of any accumulated surplus in the Trust above the amount required to provide national service educational awards to individuals identified under paragraph (2), including any amounts available as a result of the circumstances referred to in paragraph (3).

"SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL SERVICE EDUCATIONAL AWARD FROM THE TRUST.

"(a) ELIGIBLE INDIVIDUALS.—An individual shall be eligible to receive a national service educational award from the National Service Trust if the individual—

"(1) successfully completes the required term of service described in subsection (b) in an approved national service position;

"(2) was 17 years of age or older at the time the individual began serving in the approved national service position or was an out-of-school youth serving in an approved national service position with a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9);

"(3) at the time the individual uses the national service educational award—

"(A) has received a high school diploma, or the equivalent of such diploma;

"(B)(i) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of section 484(d) of the Higher Education Act of 1965 (20 U.S.C. 1091(d)); and

"(ii) meets the requirements of section 484(a) of such Act; or

"(C) has received a waiver described in section 137(c); and

"(4) is a citizen of the United States or lawfully admitted for permanent residence.

"(b) TERM OF SERVICE.—The term of service for an approved national service position shall not be less than the full- or part-time term of service specified in section 139(b).

"(c) LIMITATION ON NUMBER OF TERMS OF SERVICE FOR AWARDS.—Although an individual may serve more than 2 terms of service described in subsection (b) in an approved national service position, the individual shall receive a national service educational award from the National Service Trust only on the basis of the first and second of such terms of service.

"(d) TIME FOR USE OF EDUCATIONAL AWARD.—

"(1) FIVE-YEAR REQUIREMENT.—An individual eligible to receive a national service educational award under this section may not use such award after the end of the 5-year period beginning on the date the individual completes the term of service in an approved national service position that is the basis of the award.

"(2) EXCEPTION.—The Corporation may extend the period within which an individual

may use a national service educational award if the Corporation determines that the individual—

“(A) was unavoidably prevented from using the national service educational award during the original 5-year period; or

“(B) performed another term of service in an approved national service position during that period.

“SEC. 147. DETERMINATION OF THE AMOUNT OF THE NATIONAL SERVICE EDUCATIONAL AWARD.

“(a) AMOUNT GENERALLY.—Except as provided in subsection (b), an individual described in section 146(a) who successfully completes a required term of service in an approved national service position shall receive a national service educational award having a value equal to \$5,000 for each of not more than 2 of such terms of service.

“(b) AWARD FOR PARTIAL COMPLETION OF SERVICE.—If an individual serving in an approved national service position is released in accordance with section 139(c)(1)(A) from completing the term of service agreed to by the individual, the Corporation may provide the individual with that portion of the national service educational award approved for the individual that corresponds to the quantity of the term of service actually completed by the individual.

“SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDUCATIONAL AWARDS.

“(a) IN GENERAL.—Amounts in the Trust shall be available—

“(1) to repay student loans in accordance with subsection (b);

“(2) to pay all or part of the cost of attendance at an institution of higher education in accordance with subsection (c);

“(3) to pay expenses incurred in participating in an approved school-to-work program in accordance with subsection (d); and

“(4) to pay interest expenses in accordance with regulations prescribed pursuant to subsection (e).

“(b) USE OF EDUCATIONAL AWARD TO REPAY OUTSTANDING STUDENT LOANS.—

“(1) APPLICATION BY ELIGIBLE INDIVIDUALS.—An eligible individual under section 146 who desires to apply the national service educational award of the individual to the repayment of qualified student loans shall submit, in a manner prescribed by the Corporation, an application to the Corporation that—

“(A) identifies, or permits the Corporation to identify readily, the holder or holders of such loans;

“(B) indicates, or permits the Corporation to determine readily, the amounts of principal and interest outstanding on the loans;

“(C) specifies the qualified student loan to which the individual desires to apply the national service educational award, in any case in which the total of the amounts described in subparagraph (B) is greater than the amount of the national service educational award to which the individual is entitled; and

“(D) contains or is accompanied by such other information as the Corporation may require.

“(2) DISBURSEMENT OF REPAYMENTS.—Upon receipt of an application from an eligible individual of an application that complies with paragraph (1), the Corporation shall, as promptly as practicable consistent with paragraph (5), disburse the amount of the national service educational award to which the eligible individual is entitled. Such disbursement shall be made by check or other means that is payable to the holder of the loan and requires the endorsement or other certification by the eligible individual.

“(3) APPLICATION OF DISBURSED AMOUNTS.—If the amount disbursed under paragraph (2) is less than the principal and accrued interest on any qualified student loan, such amount shall first be applied to the repayment of principal. In a case described in paragraph (1)(C), such amount shall be applied to the loan described in paragraph (1)(C).

“(4) REPORTS BY HOLDERS.—Any holder receiving a loan payment pursuant to this subsection shall submit to the Corporation such information as the Corporation may require to verify that such payment was applied in accordance with this subsection and any regulations prescribed to carry out this subsection.

“(5) AUTHORITY TO AGGREGATE PAYMENTS.—The Corporation may, by regulation, provide for the aggregation of payments to holders under this subsection.

“(6) NOTIFICATION.—On disbursing a national service educational award to which an individual is entitled under paragraph (2) and applying the award to a loan, the Corporation shall notify the individual of the amount disbursed for each such loan and the date of the disbursement.

“(7) DEFINITIONS.—As used in this subsection:

“(A) QUALIFIED STUDENT LOAN.—The term ‘qualified student loan’ means—

“(i) any loan made, insured, or guaranteed pursuant to title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), other than a loan to a parent of a student pursuant to section 428B of such Act (20 U.S.C. 1078-2); and

“(ii) any loan made pursuant to title VII or VIII of the Public Health Service Act (42 U.S.C. 292a et seq.).

“(B) HOLDER.—The term ‘holder’ with respect to any eligible loan means the original lender or, if the loan is subsequently sold, transferred, or assigned to some other person, and such other person acquires a legally enforceable right to receive payments from the borrower, such other person.

“(C) USE OF EDUCATIONAL AWARDS TO PAY CURRENT EDUCATIONAL EXPENSES.—

“(1) APPLICATION BY ELIGIBLE INDIVIDUAL.—An eligible individual under section 146 who desires to apply the national service educational award of the individual to the payment of full-time or part-time educational expenses, that have been incurred by the individual prior to the service of the individual under subtitle C, shall, on a form prescribed by the Corporation, submit an application to the institution of higher education in which the student will be enrolled that contains such information as the Corporation may require to verify the individual's eligibility.

“(2) SUBMISSION OF REQUESTS FOR PAYMENT BY INSTITUTIONS.—An institution of higher education that receives one or more applications that comply with paragraph (1) shall submit to the Corporation a statement, in a manner prescribed by the Corporation, that—

“(A) identifies each eligible individual filing an application under paragraph (1) for a disbursement of the individual's national service educational award under this subsection;

“(B) specifies the amounts for which such eligible individuals are, consistent with paragraph (6), qualified for disbursement under this subsection;

“(C) certifies that—

“(i) the institution of higher education has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094); and

“(ii) the institution's eligibility to participate in any of the programs under title IV of such Act (20 U.S.C. 1070 et seq.) has not been limited, suspended, or terminated; and

“(D) contains such provisions concerning financial compliance as the Corporation may require.

“(3) DISBURSEMENT OF PAYMENTS.—Upon receipt of a statement from an institution of higher education that complies with paragraph (2), the Corporation shall, subject to paragraph (4), disburse the total amount of the national service educational awards for which eligible individuals who have submitted applications to that institution under paragraph (1) are qualified. Such disbursement shall be made by check or other means that is payable to the institution and requires the endorsement or other certification by the eligible individual.

“(4) MULTIPLE DISBURSEMENTS REQUIRED.—The total amount required to be disbursed to an institution of higher education under paragraph (3) for any period of enrollment shall be disbursed by the Corporation in 2 or more installments, none of which exceeds ½ of such total amount. The interval between the first and second such installment shall not be less than ½ of such period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the second semester, quarter, or similar division of such period of enrollment.

“(5) REFUND RULES.—The Corporation shall, by regulation, provide for the refund to the Corporation (and the crediting to the national service educational award of an eligible individual) of amounts disbursed to institutions for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Such regulations shall be consistent with the fair and equitable refund policies required of institutions pursuant to section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b). Amounts refunded to the Trust pursuant to this paragraph may be used by the Corporation to fund additional approved national service positions under subtitle C.

“(6) MAXIMUM AWARD.—The portion of an eligible individual's total available national service educational award that may be disbursed under this subsection for any period of enrollment shall not exceed the difference between—

“(A) the eligible individual's cost of attendance for such period of enrollment, determined in accordance with section 472 of the Higher Education Act of 1965 (20 U.S.C. 10871); and

“(B) the sum of—

“(i) the student's estimated financial assistance for such period under part A of title IV of such Act (20 U.S.C. 1070 et seq.); and

“(ii) the student's veterans' education benefits, determined in accordance with section 480(c) of such Act (20 U.S.C. 1087v(c)).

“(d) USE OF EDUCATIONAL AWARD TO PARTICIPATE IN APPROVED SCHOOL-TO-WORK PROGRAMS.—The Corporation shall by regulation provide for the payment of national service educational awards to permit eligible individuals to participate in school-to-work programs approved by the Secretaries of Labor and Education.

“(e) INTEREST PAYMENTS DURING FORBEARANCE ON LOAN REPAYMENT.—The Corporation may provide by regulation for the payment on behalf of an eligible individual of interest that accrues during a period for which such individual has obtained forbearance in the repayment of a qualified student loan (as defined in subsection (b)(7)), if the eligible individual successfully completes the required

term of service (as determined under section 146(b)) of the individual. Such regulations shall be prescribed after consultation with the Secretary of Education.

"(f) EXCEPTION.—

"(1) OPTION.—With the approval of the President, a national service program that receives assistance under section 121 may offer to each participant in the program the option of—

"(A) waiving the right of the participant to receive a national service education award; and

"(B) receiving an alternative post-service benefit.

"(2) SOURCES OF FUNDING.—In providing for the alternative post-service benefit, the program may not use funds made available under this Act or any other Federal law.

"(g) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—Notwithstanding section 101 of this Act, for purposes of this section the term 'institution of higher education' has the meaning provided by section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a))."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle D of title I of such Act and inserting the following new items:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"Sec. 145. Establishment of the National Service Trust.

"Sec. 146. Individuals eligible to receive a national service educational award from the Trust.

"Sec. 147. Determination of the amount of the national service educational award.

"Sec. 148. Disbursement of national service educational awards."

(c) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY FOR SUBSIDIZED STAFFORD LOANS.—Section 428(a)(2)(C)(i) of the Higher Education Act of 1965 (20 U.S.C. 1078(a)(2)(C)(i)) is amended by inserting "any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)," after "parts C and E of this title,".

(2) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—Section 428 of the Higher Education Act of 1965 is amended—

(A) in subsection (b)(1)—

(i) by redesignating subparagraphs (W), (X), and (Y) as subparagraphs (X), (Y), and (Z), respectively; and

(ii) by inserting after subparagraph (V) the following new subparagraph:

"(W)(i) provides that, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary, during periods in which the borrower is serving in a national service position, for which the borrower receives a national service educational award under the National and Community Service Trust Act of 1993;

"(ii) provides that clauses (iii) and (iv) of subparagraph (V) shall also apply to a forbearance granted under this subparagraph; and

"(iii) provides that interest shall continue to accrue on a loan for which a borrower receives forbearance under this subparagraph and shall be capitalized or paid by the borrower;" and

(B) in subsection (c)(3)(A), by striking "subsection (b)(1)(V)" and inserting "subparagraphs (V) and (W) of subsection (b)(1)".

(3) ELIGIBILITY FOR STAFFORD LOAN FORGIVENESS.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(A) in subsection (b)(1), is amended by striking "October 1, 1992" and inserting "October 1, 1989"; and

(B) in subsection (c), by adding at the end the following new paragraph:

"(5) INELIGIBILITY OF NATIONAL SERVICE EDUCATIONAL AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(4) ELIGIBILITY FOR PERKINS LOAN FORGIVENESS.—Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended by adding at the end the following new paragraph:

"(6) No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(5) IMPACT ON GENERAL NEEDS ANALYSIS.—Section 480(j) of such Act (20 U.S.C. 1087vv(j)) is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.) shall not be taken into account in determining estimated financial assistance not received under this title."

SEC. 103. SCHOOL-BASED AND COMMUNITY-BASED SERVICE-LEARNING PROGRAMS.

(a) AMENDMENTS TO SERVE-AMERICA PROGRAMS.—

(1) PURPOSE.—The purpose of this subsection is to improve the Serve-America programs established under part I of subtitle B of the National and Community Service Act of 1990, and to enable the Corporation for National and Community Service, and the entities receiving financial assistance under such part, to—

(A) work with teachers in elementary schools and secondary schools within a community, and with community-based agencies, to create and offer service-learning opportunities for all school-age youth;

(B) educate teachers, and faculty providing teacher training and retraining, about service-learning, and incorporate service-learning opportunities into classroom teaching to strengthen academic learning;

(C) coordinate the work of adult volunteers who work with elementary and secondary schools as part of their community service activities; and

(D) work with employers in the communities to ensure that projects introduce the students to various careers and expose the students to needed further education and training.

(2) PROGRAMS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by striking the subtitle heading and all that follows through the end of part I and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs
"PART I—SERVE-AMERICA PROGRAMS
"Subpart A—School-Based Programs for Students

"SEC. 111. AUTHORITY TO ASSIST STATES AND INDIAN TRIBES.

"(a) USE OF FUNDS.—The Corporation, in consultation with the Secretary of Edu-

cation, may make grants under section 112(b)(1), and allotments under subsections (a) and (b)(2) of section 112, to States (through State educational agencies), and to Indian tribes, to pay for the Federal share of—

"(1) planning and building the capacity of the States or Indian tribes (which may be accomplished through grants or contracts with qualified organizations) to implement school-based service-learning programs, including—

"(A) providing training for teachers, supervisors, personnel from community-based agencies (particularly with regard to the utilization of participants), and trainers, to be conducted by qualified individuals or organizations that have experience with service-learning;

"(B) developing service-learning curricula to be integrated into academic programs, including the age-appropriate learning component described in section 114(d)(5)(B);

"(C) forming local partnerships described in paragraph (2) or (4) to develop school-based service-learning programs in accordance with this subpart;

"(D) devising appropriate methods for research and evaluation of the educational value of service-learning and the effect of service-learning activities on communities; and

"(E) establishing effective outreach and dissemination of information to ensure the broadest possible involvement of community-based agencies with demonstrated effectiveness in working with school-age youth in their communities;

"(2) implementing, operating, or expanding school-based service-learning programs, which may include paying for the cost of the recruitment, training, supervision, placement, salaries, and benefits of service-learning coordinators, through State distribution of Federal funds made available under this subpart to projects operated by local partnerships among—

"(A) local educational agencies; and

"(B) one or more community partners that—

"(i) shall include a public or private not-for-profit organization that—

"(I) has demonstrated expertise in the provision of services to meet human, educational, environmental, or public safety needs;

"(II) was in existence 1 year before the date on which the organization submitted an application under section 114; and

"(III) will make projects available for participants, who shall be students; and

"(ii) may include a private for-profit business or private elementary or secondary school;

"(3) planning of school-based service-learning programs through State distribution of Federal funds made available under this subpart to local educational agencies, which planning may include paying for the cost of—

"(A) the salaries and benefits of service-learning coordinators; or

"(B) the recruitment, training, supervision, and placement of service-learning coordinators who are participants in a program under subtitle C or receive a national service educational award under subtitle D, who will identify the community partners described in paragraph (2)(B) and assist in the design and implementation of a program described in paragraph (2); and

"(4) implementing, operating, or expanding school-based service-learning programs involving adult volunteers to utilize service-

learning to improve the education of students through State distribution of Federal funds made available under this part to local partnerships among—

- “(A) local educational agencies; and
- “(B) one or more—
- “(i) public or private not-for-profit organizations;
- “(ii) other educational agencies; or
- “(iii) private for-profit businesses,

that coordinate and operate projects for participants, who shall be students.

“(b) DUTIES OF SERVICE-LEARNING COORDINATOR.—A service-learning coordinator referred to in paragraph (2) or (3) of subsection (a) shall provide services to a local educational agency by—

“(1) expanding the awareness of teachers of the potential of service-learning in strengthening the educational achievement, leadership development, and substantive learning, of students;

“(2) providing technical assistance and information to, and facilitating the training of, teachers who want to use service-learning in their classrooms;

“(3) assisting local partnerships described in subsection (a) in the planning, development, and execution of service-learning projects;

“(4) recruiting and supervising adult volunteers, or individuals who are participants in a program under subtitle C or receive a national service educational award under subtitle D, to expand service-learning opportunities; and

“(5) coordinating the activities of the service-learning coordinator with the activities of the committee described in section 114(d)(1), and, where appropriate, assisting the committee.

“(c) RELATED EXPENSES.—A partnership, local educational agency, or other qualified organization that receives financial assistance under this subpart may, in carrying out the activities described in subsection (a), use such assistance to pay for the Federal share of reasonable costs related to the supervision of participants, program administration, transportation, insurance, evaluations, and for other reasonable expenses related to the activities.

“SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICANTS IN NONPARTICIPATING STATES.

“In any fiscal year in which a State does not submit an application under section 113, for an allotment under subsection (a) or (b)(2) of section 112, that meets the requirements of section 113 and such other requirements as the President may determine to be appropriate, the Corporation may use the allotment of that State to make direct grants to pay for the Federal share of the cost of—

“(1) carrying out the activities described in paragraph (2) or (4) of section 111(a), to a local partnership described in such paragraph; or

“(2) carrying out the activities described in paragraph (3) of such section, to an agency described in such paragraph, that is located in the State.

“SEC. 111B. AUTHORITY TO ASSIST PUBLIC OR PRIVATE NOT-FOR-PROFIT ORGANIZATIONS.

“(a) IN GENERAL.—The Corporation may make a grant under section 112(b)(1) to a public or private not-for-profit organization that—

“(1) has experience with service-learning;

“(2) was in existence 1 year before the date on which the organization submitted an application under section 114(a); and

“(3) meets such other criteria as the President may establish.

“(b) USE OF FUNDS.—Such an organization may use a grant made under subsection (a) to make grants to partnerships described in paragraph (2) or (4) of section 111(a) to implement, operate, or expand school-based service-learning programs as described in such section and provide technical assistance and training to appropriate persons.

“SEC. 112. GRANTS AND ALLOTMENTS.

“(a) INDIAN TRIBES AND TERRITORIES.—Of the amounts appropriated to carry out this subpart for any fiscal year, the Corporation shall reserve an amount of not more than 1 percent for payments to Indian tribes, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs. The Corporation may also make payments from such amount to Palau, in accordance with its needs, until such time as the Compact of Free Association with Palau is ratified.

“(b) GRANTS AND ALLOTMENTS THROUGH STATES.—The Corporation shall use the remainder of the funds appropriated to carry out this subpart for any fiscal year as follows:

“(1) GRANTS.—Except as provided in paragraph (3), from 25 percent of such funds, the Corporation may make grants, on a competitive basis, to—

- “(A) States and Indian tribes; or
- “(B) as described in section 111B, to grantmaking entities.

“(2) ALLOTMENTS.—

“(A) SCHOOL-AGE YOUTH.—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the number of school-age youth in the State bears to the total number of school-age youth of all States.

“(B) ALLOCATION UNDER ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the allocation to the State for the previous fiscal year under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.) bears to such allocations to all States.

“(3) MINIMUM AMOUNT.—No State shall receive, under paragraph (2), an allotment that is less than the allotment such State received for fiscal year 1993 under section 112(b) of this Act, as in effect on the day before the date of enactment of this part. If the amount of funds made available in a fiscal year to carry out paragraph (2) is insufficient to make such allotments, the Corporation shall make available sums from the 25 percent described in paragraph (1) for such fiscal year to make such allotments.

“(4) DEFINITION.—Notwithstanding section 101(27), for purposes of this subsection, the term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and an Indian tribe.

“(c) REALLOTMENT.—If the Corporation determines that the allotment of a State or Indian tribe under this section will not be required for a fiscal year because the State or Indian tribe does not submit an application for the allotment under section 113 that meets the requirements of such section and such other requirements as the President may determine to be appropriate, the Corporation shall, after making any grants under section 111A to a partnership or agency described in such section, make any re-

mainder of such allotment available for reallocation to such other States, and Indian tribes, with approved applications submitted under section 113, as the Corporation may determine to be appropriate.

“(d) EXCEPTION.—Notwithstanding subsections (a) and (b), if less than \$20,000,000 is appropriated for any fiscal year to carry out this subpart, the Corporation shall award grants to States and Indian tribes, from the amount so appropriated, on a competitive basis to pay for the Federal share of the activities described in section 111.

“SEC. 113. STATE OR TRIBAL APPLICATIONS.

“(a) SUBMISSION.—To be eligible to receive a grant under section 112(b)(1), an allotment under subsection (a) or (b)(2) of section 112, a reallocation under section 112(c), or a grant under section 112(d), a State, acting through the State educational agency, or an Indian tribe, shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the President may reasonably require.

“(b) CONTENTS.—An application that is submitted under subsection (a) with respect to service-learning programs described in section 111 shall include—

“(1) a 3-year strategic plan, or a revision of a previously approved 3-year strategic plan, for promoting service-learning through the programs, which plan shall contain such information as the President may reasonably require, such as—

“(A) a description of the goals to be attained in promoting service-learning through such programs;

“(B) a description of the resources and organization needed to achieve the goals of such programs within elementary schools and secondary schools; and

“(C) a description of the manner in which—

“(i) such programs and the activities to be carried out under such programs relate to the goals described in subparagraph (A);

“(ii) the applicant will evaluate the success of the programs and the extent of community involvement in the programs, and measure the extent to which the programs meet the goals described in subparagraph (A);

“(iii) in reviewing applications that are submitted under section 114(c), the applicant will rank the applications according to the criteria described in section 115(b), will consider the factors described in section 115(a), and will review the applications in a manner that ensures the equitable treatment of all such applications;

“(iv) the programs will be coordinated with—

“(I) the education reform efforts of the applicant;

“(II) other efforts to meet the National Education Goals;

“(III) other service activities in the State or serving the Indian tribe; and

“(IV) other education programs, training programs, social service programs, and appropriate programs that serve school-age youth, that are authorized under Federal law;

“(v) the applicant will disseminate information, conduct outreach, and take other measures, to encourage cooperative efforts among the local educational agencies, local government agencies, community-based agencies, State agencies, and private for-profit businesses that will carry out the service-learning programs proposed by the applicant, to develop and provide projects, including those that involve the participation of urban, suburban, and rural students working together;

"(vi) the applicant will promote appropriate projects in such programs for economically disadvantaged students, students with limited basic skills, students in foster care who are becoming too old for foster care, students of limited-English proficiency, homeless students, and students who are individuals with disabilities;

"(vii) service-learning training and technical assistance will be provided through the programs—

"(I) to State and local educational agency personnel, federally assisted education specialists in the State or serving the Indian tribe, and local recipients of grants under this subpart, to raise the awareness of service-learning among such personnel, specialists, and recipients; and

"(II) by qualified and experienced individuals employed by the State or Indian tribe or through grants or contracts with such individuals;

"(viii) a service-learning network will be established for the State or Indian tribe, comprised of expert teachers and administrators who have carried out successful service-learning activities within the State or serving the Indian tribe; and

"(ix) the applicant will use payments from sources described in section 116(a)(2)(B) to expand projects for students through the programs proposed by the applicant;

"(2) assurances that—

"(A) the applicant will keep such records and provide such information to the Corporation with respect to the programs as may be required for fiscal audits and program evaluation; and

"(B) the applicant will comply with the nonduplication and nondisplacement requirements of section 177 and the grievance procedure requirements of section 176(f); and

"(3) such additional information as the President may reasonably require.

"SEC. 114. LOCAL APPLICATIONS.

"(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—

"(1) IN GENERAL.—To be eligible to receive a grant in accordance with section 111B(a) to make grants relating to school-based service-learning programs described in section 111(a)(2), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application.

"(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(b) DIRECT APPLICATION TO CORPORATION TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS IN NONPARTICIPATING STATES.—To be eligible to receive a grant from the Corporation in the circumstances described in section 111A to carry out an activity described in such section, a partnership or agency described in such section shall prepare, submit to the Corporation, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(c) APPLICATION TO STATE OR INDIAN TRIBE TO RECEIVE ASSISTANCE TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—

"(1) IN GENERAL.—Any—

"(A) qualified organization that desires to receive financial assistance under this subpart from a State or Indian tribe for an activity described in section 111(a)(1);

"(B) partnership described in section 111(a)(2) that desires to receive such assist-

ance from a State, Indian tribe, or grantmaking entity for an activity described in section 111(a)(2);

"(C) agency described in section 111(a)(3) that desires to receive such assistance from a State or Indian tribe for an activity described in such section; or

"(D) partnership described in section 111(a)(4) that desires to receive such assistance from a State or Indian tribe for an activity described in such section,

to be carried out through a service-learning program described in section 111, shall prepare, submit to the State educational agency, Indian tribe, or grantmaking entity, and obtain approval of, an application for the program.

"(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the agency, tribe, or entity may reasonably require.

"(d) CONTENTS OF APPLICATION.—An application that is submitted under subsection (a), (b), or (c) with respect to a service-learning program described in section 111 shall, at a minimum, contain a proposal that includes—

"(1) information specifying the membership and role of an established advisory committee, consisting of representatives of community-based agencies including service recipients, students, parents, teachers, administrators, representatives of agencies that serve school-age youth or older adults, school board members, representatives of local labor organizations, and representatives of business, that will provide advice with respect to the program;

"(2) a description of—

"(A) the goals of the program which shall include goals that are quantifiable and demonstrate any benefits from the program to participants and the community;

"(B) service-learning projects to be provided under the program, and evidence that participants will make a sustained commitment to service in the projects;

"(C) the manner in which participants in the program were or will be involved in the design and operation of the program;

"(D) training for supervisors, teachers, service sponsors, and participants in the program;

"(E) the manner in which exemplary service will be recognized under the program; and

"(F) any resources that will permit continuation of the program, if needed, after the assistance received under this subpart for the program has ended;

"(3) information that shall include—

"(A) a disclosure of whether or not the participants will receive academic credit for participation in the program;

"(B) the expected number of participants in the program and the hours of service that such participants will provide individually and as a group;

"(C) the proportion of expected participants in the program who are economically disadvantaged, including participants who are individuals with disabilities; and

"(D) any role of adult volunteers in implementing the program, and the manner in which such volunteers will be recruited;

"(4) in the case of an application submitted by a local partnership, a written agreement, between the members of the local partnership, stating that the program was jointly developed by the members and that the program will be jointly executed by the members;

"(5) assurances that—

"(A) prior to the placement of a participant, the entity carrying out the program will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees;

"(B) the entity carrying out the program will develop an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences; and

"(C) the entity carrying out the program will comply with the nonduplication and nondisplacement requirements of section 177 and the grievance procedure requirements of section 176(f); and

"(6) in the case of an application submitted by a grantmaking entity, information demonstrating that the entity will make grants for a program to—

"(A) carry out activities described in section 111B(b) in two or more States, under circumstances in which the activities carried out under such program can be carried out more efficiently through one program than through two or more programs; and

"(B) carry out the same activities, such as training activities or activities related to exchanging information on service experiences, through each of the projects assisted through the program.

"(e) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—No applicant shall submit an application under section 113 or this section, and the Corporation shall reject an application that is submitted under section 113 or this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

"SEC. 115. CONSIDERATION OF APPLICATIONS.

"(a) CRITERIA FOR APPLICATIONS.—In approving applications for financial assistance under subsection (a), (b), (c), or (d) of section 112, the Corporation shall consider such criteria with respect to sustainability, replicability, innovation, and quality of programs under this subpart as the President may by regulation specify. In providing assistance under this subpart, a State educational agency, Indian tribe, or grantmaking entity shall consider such criteria.

"(b) PRIORITY FOR LOCAL APPLICATIONS.—

"(1) IN GENERAL.—In providing assistance under this subpart, a State educational agency or Indian tribe, or the Corporation if section 111A or 111B applies, shall give priority to entities that submit applications under section 114 with respect to service-learning programs described in section 111 that—

"(A) involve participants in the design and operation of the program;

"(B) are in the greatest need of assistance, such as programs targeting low-income areas;

"(C) involve—

"(i) students from public elementary or secondary schools, and students from private elementary or secondary schools, serving together; or

"(ii) students of different ages, races, sexes, ethnic groups, disabilities, or economic backgrounds, serving together; or

"(D) are integrated into the academic program of the participants.

"(c) REJECTION OF APPLICATIONS.—If the Corporation rejects an application submitted by a State under section 113 for an allotment

under subsection (b)(2) of section 112, the Corporation shall promptly notify the State of the reasons for the rejection of the application. The Corporation shall provide the State with a reasonable opportunity to revise and resubmit the application and shall provide technical assistance, if needed, to the State as part of the resubmission process. The Corporation shall promptly reconsider such resubmitted application.

"SEC. 115A. PARTICIPATION OF STUDENTS AND TEACHERS FROM PRIVATE SCHOOLS.

"(a) IN GENERAL.—To the extent consistent with the number of students in the State or Indian tribe or in the school district of the local educational agency involved who are enrolled in private not-for-profit elementary and secondary schools, such State, Indian tribe, or agency shall (after consultation with appropriate private school representatives) make provision—

"(1) for the inclusion of services and arrangements for the benefit of such students so as to allow for the equitable participation of such students in the programs implemented to carry out the objectives and provide the benefits described in this subpart; and

"(2) for the training of the teachers of such students so as to allow for the equitable participation of such teachers in the programs implemented to carry out the objectives and provide the benefits described in this subpart.

"(b) WAIVER.—If a State, Indian tribe, or local educational agency is prohibited by law from providing for the participation of students or teachers from private not-for-profit schools as required by subsection (a), or if the Corporation determines that a State, Indian tribe, or local educational agency substantially fails or is unwilling to provide for such participation on an equitable basis, the President shall waive such requirements and shall arrange for the provision of services to such students and teachers. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with paragraphs (3) and (4) of section 1017(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2727(b)).

"SEC. 116. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

"(a) SHARE.—

"(1) IN GENERAL.—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant or allotment is made under this subpart may not exceed—

"(A) 90 percent of the total cost of the program for the first year for which the program receives assistance under this subpart;

"(B) 80 percent of the total cost of the program for the second year for which the program receives assistance under this subpart;

"(C) 70 percent of the total cost of the program for the third year for which the program receives assistance under this subpart; and

"(D) 50 percent of the total cost of the program for the fourth year, and for any subsequent year, for which the program receives assistance under this subpart.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out such a program, each recipient of assistance under this subpart—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or Federal

sources (other than funds made available under the national service laws).

"(b) WAIVER.—The President may waive the requirements of subsection (a) in whole or in part with respect to any such program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 116A. LIMITATIONS ON USES OF FUNDS.

"(a) ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to a State educational agency, Indian tribe, or grantmaking entity that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to pay for administrative costs incurred by—

"(A) the original recipient; or

"(B) the entity carrying out the service-learning programs supported with the assistance.

"(2) RULES ON USE.—The President may by rule prescribe the manner and extent to which—

"(A) such assistance may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient; and

"(ii) the entity carrying out the service-learning programs supported with the assistance.

"(b) CAPACITY-BUILDING ACTIVITIES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), not less than 10 percent and not more than 15 percent of the amount of assistance provided to a State educational agency or Indian tribe that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to build capacity through training, technical assistance, curriculum development, and coordination activities, described in section 111(a)(1).

"(2) WAIVER.—The President may waive the requirements of paragraph (1) in order to permit an agency or a tribe to use not less than 10 percent and not more than 25 percent of such amount to build capacity as provided in paragraph (1). To be eligible to receive such a waiver such an agency or tribe shall submit an application to the President at such time, in such manner, and containing such information as the President may require.

"(c) LOCAL USES OF FUNDS.—Funds made available under this subpart may not be used to pay any stipend, allowance, or other financial support to any student who is a participant under this subtitle, except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this subpart.

"SEC. 116B. DEFINITIONS.

"As used in this subpart:

"(1) GRANTMAKING ENTITY.—The term 'grantmaking entity' means an organization described in section 111B(a).

"(2) SCHOOL-BASED.—The term 'school-based' means based in an elementary school or a secondary school.

"(3) STUDENT.—Notwithstanding section 101(30), the term 'student' means an individual who is enrolled in an elementary or secondary school on a full- or part-time basis.

"Subpart B—Community-Based Service Programs for School-Age Youth

"SEC. 117. DEFINITIONS.

"As used in this subpart:

"(1) COMMUNITY-BASED SERVICE PROGRAM.—The term 'community-based service program' means a program described in section 117A(b)(1)(A).

"(2) GRANTMAKING ENTITY.—The term 'grantmaking entity' means a qualified organization that—

"(A) submits an application under section 117C(a) to make grants to qualified organizations;

"(B) was in existence 1 year before the date on which the organization submitted the application;

"(C) has experience with service-learning; and

"(D) meets such other criteria as the President shall establish.

"(3) QUALIFIED ORGANIZATION.—The term 'qualified organization' means a public or private not-for-profit organization with experience working with school-age youth that meets such criteria as the President may establish.

"SEC. 117A. GENERAL AUTHORITY.

"(a) GRANTS.—From the funds appropriated to carry out this subpart for a fiscal year, the Corporation may make grants to State Commissions, grantmaking entities, and qualified organizations to pay for the Federal share of the implementation, operation, expansion, or replication of community-based service programs.

"(b) USE OF FUNDS.—

"(1) STATE COMMISSIONS AND GRANTMAKING ENTITIES.—A State Commission or grantmaking entity may use a grant made under subsection (a)—

"(A) to make a grant to a qualified organization to implement, operate, expand, or replicate a community-based service program that provides for meaningful human, educational, environmental, or public safety service by participants, who shall be school-age youth; or

"(B) to provide training and technical assistance to such an organization.

"(2) QUALIFIED ORGANIZATIONS.—A qualified organization, other than a grantmaking entity, may use a grant made under subsection (a) to implement, operate, expand, or replicate a program described in paragraph (1)(A).

"SEC. 117B. STATE APPLICATIONS.

"(a) IN GENERAL.—To be eligible to receive a grant under section 117A(a), a State Commission shall prepare, submit to the Corporation, and obtain approval of, an application.

"(b) SUBMISSION.—Such application shall be submitted to the Corporation at such time and in such manner, and shall contain such information, as the President may reasonably require.

"(c) CONTENTS.—Such an application shall include, at a minimum, a State plan that contains the descriptions, proposals, and assurance described in section 117C(d) with respect to each community-based service program proposed to be carried out through funding distributed by the State Commission under this subpart.

"SEC. 117C. LOCAL APPLICATIONS.

"(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from the Corporation under section 117A(a) to make grants under section 117A(b)(1), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out through grants made to qualified organizations. Such application shall be submitted at

such time and in such manner, and shall contain such information, as the President may reasonably require.

“(b) **DIRECT APPLICATION TO CORPORATION TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.**—To be eligible to receive a grant from the Corporation under section 117A(a) to implement, operate, expand, or replicate a community service program, a qualified organization shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out at multiple sites, or that proposes a model or an innovative community-based service program. Such application shall be submitted at such time and in such manner, and shall contain such information, as the President may reasonably require.

“(c) **APPLICATION TO STATE COMMISSION OR GRANTMAKING ENTITY TO RECEIVE GRANTS TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.**—To be eligible to receive a grant from a State Commission or grantmaking entity under section 117A(b)(1), a qualified organization shall prepare, submit to the Commission or entity, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Commission or entity may reasonably require.

“(d) **REQUIREMENTS OF APPLICATION.**—An application submitted under subsection (a), (b), or (c) shall, at a minimum, contain—

“(1) a description of any community-based service program proposed to be implemented, operated, expanded, or replicated directly by the applicant using assistance provided under this subpart;

“(2) a description of any grant program proposed to be conducted by the applicant with assistance provided under this subpart to support a community-based service program;

“(3) a proposal for carrying out the community-based service program that describes the manner in which the entity carrying out the program will—

“(A) provide preservice and inservice training, for supervisors and participants, that will be conducted by qualified individuals, or qualified organizations, that have experience in community-based service programs;

“(B) include economically disadvantaged individuals as participants in the program proposed by the applicant;

“(C) provide an age-appropriate service-learning component described in section 114(d)(5)(B);

“(D) conduct an appropriate evaluation of the program;

“(E) provide for appropriate community involvement in the program;

“(F) provide service experiences that promote leadership abilities among participants in the program, including experiences that involve such participants in program design;

“(G) involve participants in projects approved by community-based agencies;

“(H) establish and measure progress toward the goals of the program; and

“(I) if appropriate, organize participants in the program into teams, with team leaders who may be participants in a program under subtitle C or individuals who receive a national service educational award under subtitle D;

“(4) an assurance that the entity carrying out the program proposed by the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and the grievance procedure requirements of section 176(f);

“(5) an assurance that the entity carrying out the program will, prior to placing a participant in the program, consult with any local labor organization representing employees in the area in which the program will be carried out that are engaged in the same or similar work as the work proposed to be carried out by the program, to prevent the displacement of such employees; and

“(6) in the case of an application submitted by a grantmaking entity, information demonstrating that the entity will make grants for a program to—

“(A) carry out activities described in section 117A(b)(1) in two or more States, under circumstances in which the activities carried out under such program can be carried out more efficiently through one program than through two or more programs; and

“(B) carry out the same activities, such as training activities or activities related to exchanging information on service experiences, through each of the projects assisted through the program.

“(e) **LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.**—No applicant shall submit an application under section 117B or this section, and the Corporation shall reject an application that is submitted under section 117B or this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

“SEC. 117D. CONSIDERATION OF APPLICATIONS.

“(a) **APPLICATION OF CRITERIA.**—The Corporation shall apply the criteria described in subsection (b) in determining whether to approve an application submitted under section 117B or under subsection (a) or (b) of section 117C and to provide assistance under section 117A to the applicant on the basis of the application.

“(b) **ASSISTANCE CRITERIA.**—In evaluating such an application with respect to a program under this subpart, the Corporation shall consider the criteria established for national service programs under section 133(c).

“(c) **APPLICATION TO SUBGRANTS.**—A State Commission or grantmaking entity shall apply the criteria described in subsection (b) in determining whether to approve an application under section 117C(c) and to make a grant under section 117A(b)(1) to the applicant on the basis of the application.

“SEC. 117E. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

“(a) **FEDERAL SHARE.**—

“(1) **IN GENERAL.**—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant is made under this subpart may not exceed the percentage specified in subparagraph (A), (B), (C), or (D) of section 116(a)(1), as appropriate.

“(2) **CALCULATION.**—Each recipient of assistance under this subpart shall comply with section 116(a)(2).

“(b) **WAIVER.**—The President may waive the requirements of subsection (a), in whole or in part, as provided in section 116(b).

“SEC. 117F. LIMITATIONS ON USES OF FUNDS.

“(a) **ADMINISTRATIVE COSTS.**—Not more than 5 percent of the amount of assistance provided to a State Commission, grantmaking entity, or qualified organization that is the original recipient of a grant under section 117A(a) for a fiscal year may be used to pay for administrative costs incurred by—

“(1) the original recipient; or

“(2) the entity carrying out the community-based service programs supported with the assistance.

“(b) **RULES ON USE.**—The President may by rule prescribe the manner and extent to which—

“(1) such assistance may be used to cover administrative costs; and

“(2) that portion of the assistance available to cover administrative costs should be distributed between—

“(A) the original recipient; and

“(B) the entity carrying out the community-based service programs supported with the assistance.

“Subpart C—Clearinghouse

“SEC. 118. SERVICE-LEARNING CLEARINGHOUSE.

“(a) **IN GENERAL.**—The Corporation shall provide financial assistance, from funds appropriated to carry out subtitle H, to agencies described in subsection (b) to establish a clearinghouse, which shall carry out activities, either directly or by arrangement with another such entity, with respect to information about service-learning.

“(b) **PUBLIC AND PRIVATE NOT-FOR-PROFIT AGENCIES.**—Public and private not-for-profit agencies that have extensive experience with service-learning, including use of adult volunteers to foster service-learning, shall be eligible to receive assistance under subsection (a).

“(c) **FUNCTION OF CLEARINGHOUSE.**—An entity that receives assistance under subsection (a) may—

“(1) assist entities carrying out State or local service-learning programs with needs assessments and planning;

“(2) conduct research and evaluations concerning service-learning;

“(3)(A) provide leadership development and training to State and local service-learning program administrators, supervisors, service sponsors, and participants; and

“(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

“(4) facilitate communication among entities carrying out service-learning programs and participants in such programs;

“(5) provide information, curriculum materials, and technical assistance relating to planning and operation of service-learning programs, to States and local entities eligible to receive financial assistance under this title;

“(6)(A) gather and disseminate information on successful service-learning programs, components of such successful programs, innovative youth skills curricula related to service-learning, and service-learning projects; and

“(B) coordinate the activities of the Clearinghouse with appropriate entities to avoid duplication of effort;

“(7) make recommendations to State and local entities on quality controls to improve the quality of service-learning programs;

“(8) assist organizations in recruiting, screening, and placing service-learning coordinators; and

“(9) carry out such other activities as the President determines to be appropriate.”.

(b) **HIGHER EDUCATION INNOVATIVE PROJECTS.**—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12531 et seq.) is amended by striking part II and inserting the following:

“PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

“SEC. 119. HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE.

“(a) **PURPOSE.**—It is the purpose of this part to expand participation in community service by supporting innovative community

service programs carried out through institutions of higher education, acting as civic institutions to meet the human, educational, environmental, or public safety needs of neighboring communities.

"(b) GENERAL AUTHORITY.—The Corporation, in consultation with the Secretary of Education, is authorized to make grants to, and enter into contracts with, institutions of higher education (including a combination of such institutions), and partnerships comprised of such institutions and of other public agencies or not-for-profit private organizations, to pay for the Federal share of the cost of—

"(1) enabling such an institution or partnership to create or expand an organized community service program that—

"(A) engenders a sense of social responsibility and commitment to the community in which the institution is located; and

"(B) provides projects for participants, who shall be students, faculty, administration, or staff of the institution, or residents of the community;

"(2) supporting student-initiated and student-designed community service projects through the program;

"(3) strengthening the leadership and instructional capacity of teachers at the elementary, secondary, and post secondary levels, with respect to service-learning, by—

"(A) including service-learning as a key component of the preservice teacher education of the institution; and

"(B) encouraging the faculty of the institution to use service-learning methods throughout their curriculum;

"(4) facilitating the integration of community service carried out under the program into academic curricula, including integration of clinical programs into the curriculum for students in professional schools, so that students can obtain credit for their community service projects;

"(5) supplementing the funds available to carry out work-study programs under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.) to support service-learning and community service through the community service program;

"(6) strengthening the service infrastructure within institutions of higher education in the United States through the program; and

"(7) providing for the training of teachers, prospective teachers, related education personnel, and community leaders in the skills necessary to develop, supervise, and organize service-learning.

"(c) FEDERAL SHARE.—

"(1) SHARE.—

"(A) IN GENERAL.—The Federal share of the cost of carrying out a community service project for which a grant or contract is awarded under this part may not exceed 50 percent.

"(B) CALCULATION.—Each recipient of assistance under this part shall comply with section 116(a)(2).

"(2) WAIVER.—The President may waive the requirements of paragraph (1), in whole or in part, as provided in section 116(b).

"(d) APPLICATION FOR GRANT.—

"(1) SUBMISSION.—To receive a grant or enter into a contract under this part, an institution or partnership described in subsection (b) shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the President may reasonably require.

"(2) CONTENTS.—An application submitted under paragraph (1) shall contain—

"(A) such information as the President may reasonably require, such as a description of—

"(i) the proposed program to be established with assistance provided under the grant or contract;

"(ii) the human, educational, environmental, or public safety service that participants will perform and the community need that will be addressed under such program;

"(iii) whether or not students will receive academic credit for community service projects under the program;

"(iv) the procedure for training supervisors and participants and for supervising and organizing participants in such program;

"(v) the procedures to ensure that the program provides an opportunity for participants to reflect on their service experiences and includes the age-appropriate learning component described in section 114(d)(5)(B);

"(vi) the roles played by students and community members, including service recipients, in the design and implementation of the program; and

"(vii) the budget for the program;

"(B) assurances that—

"(i) prior to the placement of a participant, the applicant will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees; and

"(ii) the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and the grievance procedure requirements of section 176(f); and

"(C) such other assurances as the President may reasonably require.

"(e) PRIORITY.—

"(1) IN GENERAL.—In making grants and entering into contracts under subsection (b), the Corporation shall give priority to applicants that submit applications containing proposals that—

"(A) demonstrate the commitment of the institution of higher education, other than by demonstrating the commitment of the students, to supporting the community service projects carried out under the program;

"(B) specify the manner in which the institution will promote faculty, administration, and staff participation in the community service projects;

"(C) specify the manner in which the institution will provide service to the community through organized programs, including, where appropriate, clinical programs for students in professional schools;

"(D) describe any partnership that will participate in the community service projects, such as a partnership comprised of—

"(i) the institution;

"(ii)(I) a community-based agency;

"(II) a local government agency; or

"(III) a not-for-profit entity that serves or involves school-age youth or older adults; and

"(iii) a student organization;

"(E) demonstrate community involvement in the development of the proposal;

"(F) specify that the institution will use such assistance to strengthen the service infrastructure in institutions of higher education; or

"(G) with respect to projects involving delivery of service, specify projects that involve leadership development of school-age youth.

"(2) DETERMINATION.—In giving priority to applicants under paragraph (1), the Corpora-

tion shall give increased priority to such an applicant for each characteristic described in subparagraphs (A) through (G) of paragraph (1) that is reflected in the application submitted by the applicant.

"(f) NATIONAL SERVICE EDUCATIONAL AWARD.—A participant in a program funded under this part shall be eligible for the national service educational award described in subtitle D, if the participant served in an approved national service position.

"(g) DEFINITION.—Notwithstanding section 101(30), as used in this part, the term 'student' means an individual who is enrolled in an institution of higher education on a full- or part-time basis."

(c) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle B of title I of such Act and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"SUBPART A—SCHOOL-BASED PROGRAMS FOR STUDENTS

"Sec. 111. Authority to assist States and Indian tribes.

"Sec. 111A. Authority to assist local applicants in nonparticipating States.

"Sec. 111B. Authority to assist public or private not-for-profit organizations.

"Sec. 112. Grants and allotments.

"Sec. 113. State or tribal applications.

"Sec. 114. Local applications.

"Sec. 115. Consideration of applications.

"Sec. 115A. Participation of students and teachers from private schools.

"Sec. 116. Federal, State, and local contributions.

"Sec. 116A. Limitations on uses of funds.

"Sec. 116B. Definitions.

"SUBPART B—COMMUNITY-BASED SERVICE PROGRAMS FOR SCHOOL-AGE YOUTH

"Sec. 117. Definitions.

"Sec. 117A. General authority.

"Sec. 117B. State applications.

"Sec. 117C. Local applications.

"Sec. 117D. Consideration of applications.

"Sec. 117E. Federal, State, and local contributions.

"Sec. 117F. Limitations on uses of funds.

"SUBPART C—CLEARINGHOUSE

"Sec. 118. Service-learning clearinghouse.

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"Sec. 119. Higher education innovative programs for community service."

SEC. 104. QUALITY AND INNOVATION ACTIVITIES.

(a) REPEAL.—Subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12591 et seq.) is repealed.

(b) TRANSFER.—Title I of the National and Community Service Act of 1990 is amended—

(1) by redesignating subtitle H (42 U.S.C. 12653 et seq.) as subtitle E;

(2) by inserting subtitle E (as redesignated by paragraph (1) of this subsection) after subtitle D; and

(3) by redesignating sections 195 through 196 as sections 151 through 166, respectively.

(c) INVESTMENT FOR QUALITY AND INNOVATION.—Title I of the National and Community Service Act of 1990 (as amended by subsection (b) of this section) is amended by adding at the end the following new subtitle:

"Subtitle H—Investment for Quality and Innovation

"SEC. 198. ADDITIONAL CORPORATION ACTIVITIES TO SUPPORT NATIONAL SERVICE.

"(a) METHODS OF CONDUCTING ACTIVITIES.—The Corporation may carry out this section directly or through grants, contracts, and cooperative agreements with other entities.

"(b) INNOVATION AND QUALITY IMPROVEMENT.—

"(1) ACTIVITIES.—The Corporation may undertake activities to improve the quality of national service programs and to support innovative and model programs, including—

"(A) programs, including programs for rural youth, under subtitle B or C;

"(B) employer-based retiree programs;

"(C) intergenerational programs;

"(D) programs involving individuals with disabilities as participants providing service; and

"(E) programs sponsored by Governors.

"(2) INTERGENERATIONAL PROGRAM.—An intergenerational program referred to in paragraph (1)(C) may include a program in which older adults provide services to children who participate in Head Start programs.

"(c) SUMMER PROGRAMS.—The Corporation may support service programs intended to be carried out between May 1 and October 1, except that such a program may also include a year-round component.

"(d) COMMUNITY-BASED AGENCIES.—The Corporation may provide training and technical assistance and other assistance to service sponsors and other community-based agencies that provide volunteer placements in order to improve the ability of such agencies to use participants and other volunteers in a manner that results in high-quality service and a positive service experience for the participants and volunteers.

"(e) IMPROVE ABILITY TO APPLY FOR ASSISTANCE.—The Corporation shall provide training and technical assistance, where necessary, to individuals, programs, local labor organizations, State educational agencies, State Commissions, local educational agencies, local governments, community-based agencies, and other entities to enable them to apply for funding under one of the national service laws, to conduct high-quality programs, to evaluate such programs, and for other purposes.

"(f) NATIONAL SERVICE FELLOWSHIPS.—The Corporation may award national service fellowships.

"(g) CONFERENCES AND MATERIALS.—The Corporation may organize and hold conferences, and prepare and publish materials, to disseminate information and promote the sharing of information among programs for the purpose of improving the quality of programs and projects.

"(h) PEACE CORPS AND VISTA TRAINING.—The Corporation may provide training assistance to selected individuals who volunteer to serve in the Peace Corps or a program authorized under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The training shall be provided as part of the course of study of the individual at an institution of higher education, shall involve service-learning, and shall cover appropriate skills that the individual will use in the Peace Corps or VISTA.

"(i) PROMOTION AND RECRUITMENT.—The Corporation may conduct a campaign to solicit funds for the National Service Trust and other programs and activities authorized under the national service laws and to promote and recruit participants for programs

that receive assistance under the national service laws.

"(j) TRAINING.—The Corporation may support national and regional participant and supervisor training, including leadership training and training in specific types of service and in building the ethic of civic responsibility.

"(k) RESEARCH.—The Corporation may support research on national service, including service-learning.

"(l) INTERGENERATIONAL SUPPORT.—The Corporation may assist programs in developing a service component that combines students, out-of-school youths, and older adults as participants to provide needed community services.

"(m) PLANNING COORDINATION.—The Corporation may coordinate community-wide planning among programs and projects.

"(n) YOUTH LEADERSHIP.—The Corporation may support activities to enhance the ability of youth and young adults to play leadership roles in national service.

"(o) NATIONAL PROGRAM IDENTITY.—The Corporation may support the development and dissemination of materials, including training materials, and arrange for uniforms and insignia, designed to promote unity and shared features among programs that receive assistance under the national service laws.

"(p) SERVICE-LEARNING.—The Corporation shall support innovative programs and activities that promote service-learning.

"(q) NATIONAL YOUTH SERVICE DAY.—

"(1) DESIGNATION.—April 19, 1994, and April 18, 1995 are each designated as 'National Youth Service Day'. The President of the United States is authorized and directed to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

"(2) FEDERAL ACTIVITIES.—In order to observe National Youth Service Day at the Federal level, the Corporation may organize and carry out appropriate ceremonies and activities.

"(3) ACTIVITIES.—The Corporation may make grants to not-for-profit organizations with demonstrated ability to carry out appropriate activities, in order to support such activities on National Youth Service Day.

"SEC. 198A. CLEARINGHOUSES.

"(a) ASSISTANCE.—The Corporation shall provide assistance to appropriate entities to establish one or more clearinghouses, including the clearinghouse described in section 118.

"(b) APPLICATION.—To be eligible to receive assistance under subsection (a), an entity shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

"(c) FUNCTION OF CLEARINGHOUSES.—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local community service programs with needs assessments and planning;

"(2) conduct research and evaluations concerning community service;

"(3)(A) provide leadership development and training to State and local community service program administrators, supervisors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out community service programs and participants;

"(5) provide information, curriculum materials, technical assistance relating to plan-

ning and operation of community service programs, to States and local entities eligible to receive funds under this title;

"(6)(A) gather and disseminate information on successful community service programs, components of such successful programs, innovative youth skills curriculum, and community service projects; and

"(B) coordinate the activities of the clearinghouse with appropriate entities to avoid duplication of effort;

"(7) make recommendations to State and local entities on quality controls to improve the delivery of community service programs and on changes in the programs under this title; and

"(8) carry out such other activities as the President determines to be appropriate.

"SEC. 198B. PRESIDENTIAL AWARDS FOR SERVICE.

"(a) PRESIDENTIAL AWARDS.—

"(1) IN GENERAL.—The President of the United States, acting through the Corporation, may make Presidential awards for service to individuals providing significant service, and to outstanding service programs.

"(2) INDIVIDUALS AND PROGRAMS.—Notwithstanding section 101(20)—

"(A) an individual receiving an award under this subsection need not be a participant in a program authorized under this Act; and

"(B) a program receiving an award under this subsection need not be a program authorized under this Act.

"(3) NATURE OF AWARD.—In making an award under this section to an individual or program, the President of the United States, acting through the Corporation—

"(A) is authorized to incur necessary expenses for the honorary recognition of the individual or program; and

"(B) is not authorized to make a cash award to such individual or program.

"(b) INFORMATION.—The President of the United States, acting through the Corporation, shall ensure that information concerning individuals and programs receiving awards under this section is widely disseminated.

"SEC. 198C. MILITARY INSTALLATION CONVERSION DEMONSTRATION PROGRAMS.

"(a) PURPOSES.—The purposes of this section are to—

"(1) provide meaningful training and paid employment to economically disadvantaged youth;

"(2) fully utilize military installations affected by closures or realignments;

"(3) encourage communities affected by such closures or realignments to convert the installations to community use; and

"(4) foster a sense of community pride in the youth in the community.

"(b) DEFINITIONS.—As used in this section:

"(1) AFFECTED MILITARY INSTALLATION.—The term 'affected military installation' means a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1)).

"(2) COMMUNITY.—The term 'community' includes a county.

"(3) CONVERT TO COMMUNITY USE.—The term 'convert to community use', used with respect to an affected military installation, includes—

"(A) conversion of the installation or a part of the installation to—

"(i) a park;

"(ii) a community center;

"(iii) a recreational facility; or

"(iv) a facility for a Head Start program under the Head Start Act (42 U.S.C. 9831 et seq.); and

"(B) carrying out, at the installation, a construction or economic development project that is of substantial benefit, as determined by the President, to—

"(i) the community in which the installation is located; or

"(ii) a community located within such distance of the installation as the President may determine by regulation to be appropriate.

"(4) DEMONSTRATION PROGRAM.—The term 'demonstration program' means a program described in subsection (c).

"(c) DEMONSTRATION PROGRAMS.—

"(1) GRANTS.—The Corporation may make grants to communities and community-based agencies to pay for the Federal share of establishing and carrying out military installation conversion demonstration programs, to assist in converting to community use affected military installations located—

"(A) within the community; or

"(B) within such distance from the community as the President may by regulation determine to be appropriate.

"(2) DURATION.—In carrying out such a demonstration program, the community or community-based agency may carry out—

"(A) a program of not less than 6 months in duration; or

"(B) a full-time summer program.

"(d) USE OF FUNDS.—

"(1) SALARY.—A community or community-based agency that receives a grant under subsection (c) to establish and carry out a project through a demonstration program may use the funds made available through such grant to pay for a portion of the salary of the participants in the project.

"(2) LIMITATION ON AMOUNT OF SALARY.—The amount of the salary provided to a participant under paragraph (1) that may be paid using assistance provided under this section and using any other Federal funds shall not exceed the lesser of—

"(A) 85 percent of the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(B) 85 percent of the salary established by the demonstration program involved.

"(e) PARTICIPANTS.—

"(1) ELIGIBILITY.—A person shall be eligible to be selected as a participant in a project carried out through a demonstration program if the person is—

"(A) an economically disadvantaged individual; and

"(B)(i) a person described in section 153(b);

"(ii) a youth described in section 154(a); or

"(iii) an eligible youth described in section 423 of the Job Training Partnership Act (29 U.S.C. 1693).

"(2) PARTICIPATION.—Persons desiring to participate in such a project shall enter into an agreement with the service sponsor of the project to participate—

"(A) on a full-time or a part-time basis; and

"(B) for the duration referred to in subsection (f)(2)(C).

"(f) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive a grant under subsection (c), a community or community-based agency shall submit an application to the President at such time, in such manner, and containing such information as the President may require.

"(2) CONTENTS.—At a minimum, such application shall contain—

"(A) a description of the demonstration program proposed to be conducted by the applicant;

"(B) a proposal for carrying out the program that describes the manner in which the applicant will—

"(i) provide preservice and inservice training, for supervisors and participants, that will be conducted by qualified individuals or qualified organizations;

"(ii) conduct an appropriate evaluation of the program; and

"(iii) provide for appropriate community involvement in the program;

"(C) information indicating the duration of the program; and

"(D) an assurance that the applicant will comply with the nonduplication and non-displacement provisions of section 177 and the grievance procedure requirements of section 176(f).

"(g) LIMITATION ON GRANT.—In making a grant under subsection (c) with respect to a demonstration program to assist in converting an affected military installation, the Corporation shall not make a grant for more than 25 percent of the total cost of the conversion."

(d) TABLE OF CONTENTS.—

(1) CIVILIAN COMMUNITY CORPS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle E of title I of such Act and inserting the following:

"Subtitle E—Civilian Community Corps

"Sec. 151. Purpose.

"Sec. 152. Establishment of Civilian Community Corps Demonstration Program.

"Sec. 153. National service program.

"Sec. 154. Summer national service program.

"Sec. 155. Civilian Community Corps.

"Sec. 156. Training.

"Sec. 157. Service projects.

"Sec. 158. Authorized benefits for Corps personnel under Federal law.

"Sec. 159. Administrative provisions.

"Sec. 160. Status of Corps members and Corps personnel under Federal law.

"Sec. 161. Contract and grant authority.

"Sec. 162. Responsibilities of other departments.

"Sec. 163. Advisory board.

"Sec. 164. Annual evaluation.

"Sec. 165. Funding limitation.

"Sec. 166. Definitions."

(2) QUALITY AND INNOVATION.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle H of title I of such Act and inserting the following:

"Subtitle H—Investment for Quality and Innovation

"Sec. 198. Additional corporation activities to support national service.

"Sec. 198A. Clearinghouses.

"Sec. 198B. Presidential awards for service.

"Sec. 198C. Military installation conversion demonstration programs."

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(A) Section 1091(f)(2) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) is amended by striking "195G" and inserting "158".

(B) Paragraphs (1) and (2) of section 1092(b), and sections 1092(c), 1093(a), and 1094(a) of such Act are amended by striking "195A" and inserting "152".

(C) Sections 1091(f)(2), 1092(b)(1), and 1094(a), and subsections (a) and (c) of section

1095 of such Act are amended by striking "subtitle H" and inserting "subtitle E".

(D) Section 1094(b)(1) and subsections (b) and (c)(1) of section 1095 of such Act are amended by striking "subtitles B, C, D, E, F, and G" and inserting "subtitles B, C, D, F, G, and H".

(2) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(A) Section 153(a) of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653b(a)) is amended by striking "195A(a)" and inserting "152(a)".

(B) Section 154(a) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653c(a)) is amended by striking "195A(a)" and inserting "152(a)".

(C) Section 155 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653d) is amended—

(i) in subsection (a), by striking "195H(c)(1)" and inserting "159(c)(1)";

(ii) in subsection (c)(2), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

(iii) in subsection (d)(3), by striking "195K(a)(3)" and inserting "162(a)(3)".

(D) Section 156 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653e) is amended—

(i) in subsection (c)(1), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

(ii) in subsection (d), by striking "195K(a)(3)" and inserting "162(a)(3)".

(E) Section 159 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653h) is amended—

(i) in subsection (a)—

(I) by striking "195A" and inserting "152"; and

(II) in paragraph (2), by striking "195" and inserting "151"; and

(ii) in subsection (c)(2)(C)(i), by striking "195K(a)(2)" and inserting "section 162(a)(2)".

(F) Section 161(b)(1)(B) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653j(b)(1)(B)) is amended by striking "195K(a)(3)" and inserting "162(a)(3)".

(G) Section 162(a)(2)(A) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653k(a)(2)(A)) is amended by striking "195(3)" and inserting "151(3)".

(H) Section 166 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653o) is amended—

(i) in paragraph (2), by striking "195D" and inserting "155";

(ii) in paragraph (8), by striking "195A" and inserting "152";

(iii) in paragraph (10), by striking "195D(d)" and inserting "155(d)"; and

(iv) in paragraph (11), by striking "195D(c)" and inserting "155(c)".

(f) EXTENSION OF AUTHORITY TO CONDUCT CIVILIAN COMMUNITY CORPS.—Section 1092(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2534), as amended by subsection (e)(1) of this section, is further amended by adding at the end the following new sentence: "The amount made available for the Civilian Community Corps Demonstration Program pursuant to this subsection shall remain available for expenditure during fiscal years 1993 and 1994."

(g) PARTICIPANTS.—

(1) NATIONAL SERVICE PROGRAM.—Section 153 of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653b) is amended—

(A) by striking subsection (d); and

(B) by redesignating subsection (e) as subsection (d).

(2) **SUMMER NATIONAL SERVICE PROGRAM.**—Section 154 of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653c) is amended—

(A) by striking subsection (b); and

(B) by redesignating subsection (c) as subsection (b).

(h) **ADDITIONAL AMENDMENT REGARDING CIVILIAN COMMUNITY CORPS.**—Section 158 of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653g) is amended by striking subsections (f), (g), and (h) and inserting the following new subsections:

“(f) **NATIONAL SERVICE EDUCATIONAL AWARDS.**—A Corps member who successfully completes a period of agreed service in the Corps may receive the national service educational award described in subtitle D if the Corps member—

“(1) serves in an approved national service position; and

“(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

“(g) **ALTERNATIVE BENEFIT.**—If a Corps member who successfully completes a period of agreed service in the Corps is ineligible for the national service educational award described in subtitle D, the Director may provide for the provision of a suitable alternative benefit for the Corps member.”

Subtitle B—Related Provisions

SEC. 111. DEFINITIONS.

(a) **IN GENERAL.**—Section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511) is amended to read as follows:

“SEC. 101. DEFINITIONS.

“For purposes of this title:

“(1) **ADULT VOLUNTEER.**—The term ‘adult volunteer’ means an individual, such as an older adult, an individual with a disability, a parent, or an employee of a business or public or private not-for-profit agency, who—

“(A) works without financial remuneration in an educational institution to assist students or out-of-school youth; and

“(B) is beyond the age of compulsory school attendance in the State in which the educational institution is located.

“(2) **APPROVED NATIONAL SERVICE POSITION.**—The term ‘approved national service position’ means a national service position for which the Corporation has approved the provision of a national service educational award described in section 147 as one of the benefits to be provided for successful service in the position.

“(3) **CARRY OUT.**—The term ‘carry out’, when used in connection with a national service program described in section 122, means the planning, establishment, operation, expansion, or replication of the program.

“(4) **COMMUNITY ACTION AGENCY.**—The term ‘community action agency’ means an entity or organization referred to in section 675(c)(2)(A) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(2)(A)).

“(5) **COMMUNITY-BASED AGENCY.**—The term ‘community-based agency’ means a private not-for-profit organization, including a church or other religious entity, that is representative of a community and that is engaged in meeting human, educational, environmental, or public safety community needs.

“(6) **CORPORATION.**—The term ‘Corporation’ means the Corporation for National and Community Service established under section 191.

“(7) **ECONOMICALLY DISADVANTAGED.**—The term ‘economically disadvantaged’ means, with respect to an individual, an individual who is determined by the President to be low-income according to the latest available data from the Department of Commerce.

“(8) **ELEMENTARY SCHOOL.**—The term ‘elementary school’ has the same meaning given such term in section 1471(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(8)).

“(9) **INDIAN.**—The term ‘Indian’ means a person who is a member of an Indian tribe.

“(10) **INDIAN LANDS.**—The term ‘Indian lands’ means any real property owned by an Indian tribe, any real property held in trust by the United States for an Indian or Indian tribe, and any real property held by an Indian or Indian tribe that is subject to restrictions on alienation imposed by the United States.

“(11) **INDIAN TRIBE.**—The term ‘Indian tribe’ means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

“(12) **INDIVIDUAL WITH A DISABILITY.**—Except as provided in section 175(a), the term ‘individual with a disability’ has the meaning given the term in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)).

“(13) **INSTITUTION OF HIGHER EDUCATION.**—The term ‘institution of higher education’ has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

“(14) **LOCAL EDUCATIONAL AGENCY.**—The term ‘local educational agency’ has the same meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

“(15) **NATIONAL SERVICE LAWS.**—The term ‘national service laws’ means this Act and the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

“(16) **OUT-OF-SCHOOL YOUTH.**—The term ‘out-of-school youth’ means an individual who—

“(A) has not attained the age of 27;

“(B) has not completed college or the equivalent thereof; and

“(C) is not enrolled in an elementary or secondary school or institution of higher education.

“(17) **PARTICIPANT.**—

“(A) **IN GENERAL.**—The term ‘participant’ means—

“(i) for purposes of subtitle C, an individual in an approved national service position; and

“(ii) for purposes of any other provision of this Act, an individual enrolled in a program that receives assistance under this title.

“(B) **RULE.**—A participant shall not be considered to be an employee of the program in which the participant is enrolled.

“(18) **PARTNERSHIP PROGRAM.**—The term ‘partnership program’ means a program through which an adult volunteer, a public or private not-for-profit agency, an institution of higher education, or a business assists a local educational agency.

“(19) **PRESIDENT.**—The term ‘President’, except when used as part of the term ‘President of the United States’ means the President of the Corporation appointed under section 193.

“(20) **PROGRAM.**—The term ‘program’, except when used as part of the term ‘academic program’, means a program described in section 111(a) (other than a program referred to in paragraph (3)(B) of such section), 117A(a), 119(b)(1), or 122(a), in paragraph (1) or (2) of section 152(b), or in section 198.

“(21) **PROJECT.**—The term ‘project’ means an activity, carried out through a program that receives assistance under this title, that results in a specific identifiable service or improvement that otherwise would not be done with existing funds, and that does not duplicate the routine services or functions of the employer to whom participants are assigned.

“(22) **SCHOOL-AGE YOUTH.**—The term ‘school-age youth’ means—

“(A) individuals between the ages of 5 and 17, inclusive; and

“(B) children with disabilities, as defined in section 602(a)(1) of the Individuals with Disabilities Education Act, who receive services under part B of such Act.

“(23) **SECONDARY SCHOOL.**—The term ‘secondary school’ has the same meaning given such term in section 1471(21) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)).

“(24) **SERVICE-LEARNING.**—The term ‘service-learning’ means a method—

“(A) under which students or participants learn and develop through active participation in thoughtfully organized service that—

“(i) is conducted in and meets the needs of a community;

“(ii) is coordinated with an elementary school, secondary school, institution of higher education, or community service program, and with the community; and

“(iii) helps foster civic responsibility; and

“(B) that—

“(i) is integrated into and enhances the academic curriculum of the students, or the educational components of the community service program in which the participants are enrolled; and

“(ii) provides structured time for the students or participants to reflect on the service experience.

“(25) **SERVICE-LEARNING COORDINATOR.**—The term ‘service-learning coordinator’ means an individual who provides services as described in subsection (a)(3) or (b) of section 111.

“(26) **SERVICE SPONSOR.**—The term ‘service sponsor’ means an organization, or other entity, that has been selected to provide a placement for a participant.

“(27) **STATE.**—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The term also includes Palau, until such time as the Compact of Free Association is ratified.

“(28) **STATE COMMISSION.**—The term ‘State Commission’ means a State Commission on National and Community Service maintained by a State pursuant to section 178. Except when used in section 178, the term includes an alternative administrative entity for a State approved by the Corporation under such section to act in lieu of a State Commission.

“(29) **STATE EDUCATIONAL AGENCY.**—The term ‘State educational agency’ has the same meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(23)).

“(30) **STUDENT.**—The term ‘student’ means an individual who is enrolled in an elementary or secondary school or institution of higher education on a full- or part-time basis.”

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 182(a)(2) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(2)) is amended by striking "adult volunteer and partnership" each place the term appears and inserting "partnership".

(2) Section 182(a)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(3)) is amended by striking "adult volunteer and partnership" and inserting "partnership".

(3) Section 441(c)(2) of the Higher Education Act of 1965 (42 U.S.C. 2751(c)(2)) is amended by striking "service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990" and inserting "a project, as defined in section 101(21) of the National and Community Service Act of 1990 (42 U.S.C. 12511(18))".

(4) Section 1122(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1137a(a)(2)(C)) is amended by striking "youth corps as defined in section 101(30) of the National and Community Service Act of 1990" and inserting "youth corps programs, as described in section 122(a)(1) of the National and Community Service Act of 1990".

(5) Section 1201(p) of the Higher Education Act of 1965 (20 U.S.C. 1141(p)) is amended by striking "section 101(22) of the National and Community Service Act of 1990" and inserting "section 101(24) of the National and Community Service Act of 1990 (42 U.S.C. 12511(21))".

SEC. 112. AUTHORITY TO MAKE STATE GRANTS.

Section 102 of the National and Community Service Act of 1990 (42 U.S.C. 12512) is repealed.

SEC. 113. FAMILY AND MEDICAL LEAVE.

(a) IN GENERAL.—Section 171 of the National and Community Service Act of 1990 (42 U.S.C. 12631) is amended to read as follows:

"SEC. 171. FAMILY AND MEDICAL LEAVE.

"(a) PARTICIPANTS IN PRIVATE, STATE, AND LOCAL PROJECTS.—For purposes of title I of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), if—

"(1) a participant has provided service for the period required by section 101(2)(A)(i) (29 U.S.C. 2611(2)(A)(i)), and has met the hours of service requirement of section 101(2)(A)(ii), of such Act with respect to a project; and

"(2) the service sponsor of the project is an employer described in section 101(4) of such Act (other than an employing agency within the meaning of subchapter V of chapter 63 of title 5, United States Code),

the participant shall be considered to be an eligible employee of the service sponsor.

"(b) PARTICIPANTS IN FEDERAL PROJECTS.—For purposes of subchapter V of chapter 63 of title 5, United States Code, if—

"(1) a participant has provided service for the period required by section 6381(1)(B) of such title with respect to a project; and

"(2) the service sponsor of the project is an employing agency within the meaning of such subchapter,

the participant shall be considered to be an employee of the service sponsor."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 171 of such Act and inserting the following:

"Sec. 171. Family and medical leave."

SEC. 114. REPORTS.

Section 172 of the National and Community Service Act of 1990 (42 U.S.C. 12632) is amended—

(1) in subsection (a)(3)(A), by striking "sections 177 and 113(9)" and inserting "section 177"; and

(2) in subsection (b)(1), by striking "this title" and inserting "the national service laws".

SEC. 115. NONDISCRIMINATION.

Section 175 of the National and Community Service Act of 1990 (42 U.S.C. 12635) is amended to read as follows:

"SEC. 175. NONDISCRIMINATION.

"(a) IN GENERAL.—

"(1) BASIS.—An individual, with responsibility for the operation of a project that receives assistance under this title shall not discriminate against a participant in, or member of the staff of, such project on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this title shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), and shall constitute Federal financial assistance to an education program or activity for purposes of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate on the basis of religion against a participant in such project or a member of the staff of such project who is paid with funds received under this title.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the employment, with assistance provided under this title, of any member of the staff, of a project that receives assistance under this title, who was employed with the organization operating the project on the date the grant under this title was awarded.

"(d) RULES AND REGULATIONS.—The President shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 116. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) DECERTIFICATION OF POSITIONS.—Section 176(a) of the National and Community Service Act of 1990 (42 U.S.C. 12636(a)) is amended—

(1) in paragraph (1), by inserting ", or revoke the designation of positions, related to the grant or contract, as approved national service positions," before "whenever the Commission"; and

(2) in paragraph (2)(B), by inserting "or revoked" after "terminated".

(b) CONSTRUCTION.—Section 176(e) of such Act (42 U.S.C. 12636(e)) is amended by adding before the period the following ", other than assistance provided pursuant to this Act".

(c) GRIEVANCE PROCEDURE.—Section 176(f) of such Act is amended to read as follows:

"(f) GRIEVANCE PROCEDURE.—

"(1) IN GENERAL.—A State or local applicant that receives assistance under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants, labor organizations, and other interested individuals concerning projects that receive assistance under this title, including grievances regarding proposed placements of such participants in such projects.

"(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance shall be made not later than 1 year after the date of the alleged occurrence of the event that is the subject of the grievance.

"(3) DEADLINE FOR HEARING AND DECISION.—

"(A) HEARING.—A hearing on any grievance conducted under this subsection shall be conducted not later than 30 days after the filing of such grievance.

"(B) DECISION.—A decision on any such grievance shall be made not later than 60 days after the filing of such grievance.

"(4) ARBITRATION.—

"(A) IN GENERAL.—

"(i) JOINTLY SELECTED ARBITRATOR.—In the event of a decision on a grievance that is adverse to the party who filed such grievance, or 60 days after the filing of such grievance if no decision has been reached, such party shall be permitted to submit such grievance to binding arbitration before a qualified arbitrator who is jointly selected and independent of the interested parties.

"(ii) APPOINTED ARBITRATOR.—If the parties cannot agree on an arbitrator, the President shall appoint an arbitrator from a list of qualified arbitrators within 15 days after receiving a request for such appointment from one of the parties to the grievance.

"(B) DEADLINE FOR PROCEEDING.—An arbitration proceeding shall be held not later than 45 days after the request for such arbitration proceeding, or, if the arbitrator is appointed by the President in accordance with subparagraph (A)(ii), not later than 30 days after the appointment of such arbitrator.

"(C) DEADLINE FOR DECISION.—A decision concerning a grievance shall be made not later than 30 days after the date such arbitration proceeding begins.

"(D) COST.—

"(i) IN GENERAL.—Except as provided in clause (ii), the cost of an arbitration proceeding shall be divided evenly between the parties to the arbitration.

"(ii) EXCEPTION.—If a participant, labor organization, or other interested individual described in paragraph (1) prevails under a binding arbitration proceeding, the State, local agency, public or private not-for-profit organization, or partnership of such agencies and organizations, that is a party to such grievance shall pay the total cost of such proceeding and the attorneys' fees of such participant, labor organization, or individual, as the case may be.

"(5) PROPOSED PLACEMENT.—If a grievance is filed regarding a proposed placement of a participant in a project that receives assistance under this title, such placement shall not be made unless the placement is consistent with the resolution of the grievance pursuant to this subsection.

"(6) REMEDIES.—Remedies for a grievance filed under this subsection include—

"(A) suspension of payments for assistance under this title;

"(B) termination of such payments;

"(C) prohibition of the placement described in paragraph (5); and

"(D) in a case in which the grievance involves a violation of subsection (a) or (b) of section 177 and the employer of the displaced employee is the recipient of assistance under this title—

"(i) reinstatement of the displaced employee to the position held by such employee prior to displacement;

"(ii) payment of lost wages and benefits of the displaced employee;

"(iii) reestablishment of other relevant terms, conditions, and privileges of employment of the displaced employee; and

"(iv) such equitable relief as is necessary to correct any violation of subsection (a) or (b) of section 177 or to make the displaced employee whole.

"(7) ENFORCEMENT.—Suits to enforce arbitration awards under this section may be brought in any district court of the United States having jurisdiction of the parties, without regard to the amount in controversy and without regard to the citizenship of the parties."

SEC. 117. NONDISPLACEMENT.

Section 177(b)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12637(b)(3)) is amended—

(1) in subparagraph (B), to read as follows:

"(B) SUPPLANTATION OF HIRING.—A participant in any program receiving assistance under this title shall not perform any services or duties, or engage in activities, that—

"(i) will supplant the hiring of employed workers; or

"(ii) are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures;" and

(2) in subparagraph (C)(iii), to read as follows:

"(iii) employee who—

"(I) is subject to a reduction in force; or

"(II) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures;"

SEC. 118. EVALUATION.

Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended—

(1) in subsection (a)(2)—

(A) in the matter preceding subparagraph (A), by striking "for purposes of the reports required by subsection (j)," and inserting "with respect to the programs authorized under subtitle C,"; and

(B) in subparagraph (A), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs";

(2) in subsection (g)—

(A) in the matter preceding paragraph (1), by striking "subtitle D" and inserting "subtitle C"; and

(B) in paragraphs (3) and (9), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs";

(3) by striking subsections (i) and (j); and

(4) by adding at the end the following:

"(i) INDEPENDENT EVALUATION AND REPORT OF DEMOGRAPHICS OF NATIONAL SERVICE PARTICIPANTS AND COMMUNITIES.—

"(1) INDEPENDENT EVALUATION.—

"(A) IN GENERAL.—The Corporation shall, on an annual basis, arrange for an independent evaluation of the programs assisted under subtitle C.

"(B) PARTICIPANTS.—

"(i) IN GENERAL.—The entity conducting such evaluation shall determine the demographic characteristics of the participants in such programs.

"(ii) CHARACTERISTICS.—The entity shall determine, for the year covered by the evaluation, the total number of participants in the programs, and the number of participants within the programs in each State, by sex, age, economic background, education level, ethnic group, disability classification, and geographic region.

"(iii) CATEGORIES.—The Corporation shall determine appropriate categories for analysis of each of the characteristics referred to in clause (ii) for purposes of such an evaluation.

"(C) COMMUNITIES.—In conducting the evaluation, the entity shall determine the amount of assistance provided under section 121 during the year that has been expended for projects conducted under the programs in areas described in section 133(c)(6).

"(2) REPORT.—The entity conducting the evaluation shall submit a report to the President, Congress, the Corporation, and each State Commission containing the results of the evaluation—

"(A) with respect to the evaluation covering the year beginning on the date of enactment of this subsection, not later than 18 months after such date; and

"(B) with respect to the evaluation covering each subsequent year, not later than 18 months after the first day of each such year."

SEC. 119. ENGAGEMENT OF PARTICIPANTS.

Section 180 of the National and Community Service Act of 1990 (42 U.S.C. 12640) is amended by striking "post-service benefits" and inserting "national service educational awards".

SEC. 120. CONTINGENT EXTENSION.

(a) IN GENERAL.—Section 181 of the National and Community Service Act of 1990 (42 U.S.C. 12641) is amended to read as follows:

"SEC. 181. CONTINGENT EXTENSION.

"Section 414 of the General Education Provisions Act (20 U.S.C. 1226a) shall apply to this Act."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to sections 181 of such Act and inserting the following:

"Sec. 181. Contingent extension."

SEC. 121. AUDITS.

(a) IN GENERAL.—Section 183 of the National and Community Service Act of 1990 (42 U.S.C. 12643) is amended to read as follows:

"SEC. 183. RIGHTS OF ACCESS, EXAMINATION, AND COPYING.

"(a) COMPTROLLER GENERAL.—The Comptroller General, or any of the duly authorized representatives of the Comptroller General, shall have access to, and the right to examine and copy, any books, documents, papers, records, and other recorded information in any form—

"(1) within the possession or control of the Corporation or any State or local government, Indian tribe, or public or private not-for-profit organization receiving assistance directly or indirectly under this Act; and

"(2) that the Comptroller General, or his representative, considers necessary to the performance of an evaluation, audit, or review.

"(b) CHIEF FINANCIAL OFFICER.—The Chief Financial Officer of the Corporation shall have access to, and the right to examine and copy, any books, documents, papers, records, and other recorded information in any form—

"(1) within the possession or control of the Corporation or any State or local govern-

ment, Indian tribe, or public or private not-for-profit organization receiving assistance directly or indirectly under this Act; and

"(2) that relate to the duties of the Chief Financial Officer."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 183 of such Act and inserting the following:

"Sec. 183. Rights of access, examination, and copying."

SEC. 122. REPEALS.

(a) IN GENERAL.—Subtitle F of title I of the National and Community Service Act of 1990 (42 U.S.C. 12631 et seq.) is amended by repealing sections 185 and 186.

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 185 of such Act.

SEC. 123. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect on October 1, 1993.

TITLE II—ORGANIZATION

SEC. 201. STATE COMMISSIONS ON NATIONAL AND COMMUNITY SERVICE.

(a) COMPOSITION AND DUTIES OF STATE COMMISSIONS.—Subtitle F of title I of the National and Community Service Act of 1990 is amended by striking section 178 (42 U.S.C. 12638) and inserting the following new section:

"SEC. 178. STATE COMMISSIONS ON NATIONAL AND COMMUNITY SERVICE.

"(a) EXISTENCE REQUIRED.—

"(1) STATE COMMISSION.—Except as provided in paragraph (2), to be eligible to receive a grant or allotment under subtitle B or C or to receive a distribution of approved national service positions under subtitle C, a State shall maintain a State Commission on National and Community Service that satisfies the requirements of this section.

"(2) ALTERNATIVE ADMINISTRATIVE ENTITY.—The chief executive officer of a State may apply to the Corporation for approval to use an alternative administrative entity to carry out the duties otherwise entrusted to a State Commission under this Act. The chief executive officer shall ensure that any alternative administrative entity used in lieu of a State Commission still provides for the individuals described in paragraph (1), and some of the individuals described in paragraph (2), of subsection (c) to play a significant policy-making role in carrying out the duties otherwise entrusted to a State Commission, including the submission of applications on behalf of the State under sections 117B and 130.

"(b) APPOINTMENT AND SIZE.—Except as provided in subsection (c)(3), the members of a State Commission for a State shall be appointed by the chief executive officer of the State. A State Commission shall consist of not less than 7 voting members and not more than 25 voting members.

"(c) COMPOSITION AND MEMBERSHIP.—

"(1) REQUIRED MEMBERS.—The State Commission for a State shall include as voting members at least one representative from each of the following categories:

"(A) Individuals between the ages of 16 and 25 who are participants or supervisors in programs.

"(B) National service programs, such as youth corps programs.

"(C) School-based or community-based programs for school-age youth.

"(D) Programs in which older adults are participants.

“(E) Local and State governmental entities in the State, including the State educational agency (from which at least one such member shall be appointed).

“(F) Local labor organizations.

“(2) SOURCES OF OTHER MEMBERS.—The State Commission for a State may include as voting members the following:

“(A) Representatives of community-based organizations or community-based agencies, including community action agencies.

“(B) Members selected from among participants in service programs who are youths.

“(C) Members selected from among local educators.

“(D) Members selected from among experts in the delivery of human, educational, environmental, or public safety services to communities and persons.

“(E) Representatives of businesses and business groups.

“(F) Representatives of Indian tribes.

“(G) Representatives of groups serving economically disadvantaged individuals.

“(H) Members selected from among out-of-school youth or other at-risk youth.

“(I) Members selected from among older adults who are volunteers or participants in national service programs.

“(3) CORPORATION REPRESENTATIVE.—The representative of the Corporation designated under section 195(b) for a State shall be a voting member of the State Commission or alternative administrative entity for that State.

“(4) EX OFFICIO STATE REPRESENTATIVES.—The chief executive officer of a State shall appoint, as an ex officio nonvoting member of the State Commission for the State, the Corporation employee responsible for volunteer service programs in the State, if such employee is not the representative described in paragraph (3). The chief executive officer may appoint, as ex officio nonvoting members of the State Commission for the State, representatives selected from among officers and employees of State agencies operating community service, youth service, education, social service, senior service, and job training programs.

“(5) LIMITATION ON NUMBER OF STATE EMPLOYEES AS MEMBERS.—The number of voting members of a State Commission selected under paragraph (1) or (2) who are officers or employees of the State may not exceed 25 percent (reduced to the nearest whole number) of the total membership of the State Commission.

“(d) MISCELLANEOUS MATTERS.—

“(1) MEMBERSHIP BALANCE.—The chief executive officer of a State shall ensure, to the maximum extent practicable, that the membership of the State Commission for the State is diverse with respect to race, ethnicity, age, gender, and disability characteristics. Not more than 50 percent of the voting members of a State Commission, plus one additional member, may be from the same political party.

“(2) TERMS.—Each member of the State Commission for a State shall serve for a term of 3 years, except that the chief executive officer of a State shall initially appoint a portion of the members to terms of 1 year and 2 years.

“(3) VACANCIES.—As vacancies occur on a State Commission, new members shall be appointed by the chief executive of the State and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the State Commission.

“(4) COMPENSATION.—A member of a State Commission or alternative administrative

entity shall not receive any additional compensation by reason of service on the State Commission or alternative administrative entity, except that the State may authorize the reimbursement of travel expenses, including a per diem in lieu of subsistence, in the same manner as other employees serving intermittently in the service of the State.

“(5) CHAIRPERSON.—The voting members of a State Commission shall elect one of the voting members to serve as chairperson of the State Commission.

“(e) DUTIES OF A STATE COMMISSION.—The State Commission or alternative administrative entity for a State shall be responsible for the following duties:

“(1) Preparation of a national service plan for the State that—

“(A) covers a 3-year period;

“(B) is updated annually;

“(C) contains such information as the State Commission or alternative administrative entity considers to be appropriate or as the Corporation may require; and

“(D) ensures outreach to diverse community-based agencies that serve under-represented populations, by—

“(i) using established networks, and registries, at the State level; or

“(ii) establishing such networks and registries.

“(2) Preparation of the applications of the State under sections 117B and 130 for financial assistance, in such a manner as to ensure that any decision regarding whether to include a program in the application shall be made on the basis of the criteria described in section 133(c), applied in a fair and equitable manner by an impartial decisionmaker.

“(3) Assistance in the preparation of the application of the State educational agency for assistance under section 113.

“(4) Preparation of the application of the State under section 130 for the approval of service positions that include the national service educational award described in subtitle D.

“(5) Assistance in the provision of health care and child care benefits under section 140 to participants in national service programs that receive assistance under section 121.

“(6) Development of a State system for the recruitment and placement of participants in national service programs that receive assistance under section 121 and dissemination of information concerning national service programs that receive assistance and approved national service positions.

“(7) Administration of the grant program in support of national service programs that is conducted by the State using assistance provided to the State under section 121, including selection, oversight, and evaluation of grant recipients.

“(8) Development of projects, training methods, curriculum materials, and other materials and activities related to national service programs that receive assistance directly from the Corporation (to be made available in a case in which such a program requests such a project, method, material, or activity) or from the State using assistance provided under section 121, for use by programs that request such projects, methods, materials, and activities.

“(f) ACTIVITY INELIGIBLE FOR ASSISTANCE.—A State Commission or alternative administrative entity may not directly carry out any national service program that receives assistance under section 121.

“(g) DELEGATION.—Subject to such requirements as the Corporation may prescribe, a State Commission may delegate non-policy-making duties to a State agency or public or private not-for-profit organization.

“(h) APPROVAL OF STATE COMMISSION OR ALTERNATIVE.—

“(1) SUBMISSION TO CORPORATION.—The chief executive officer for a State shall notify the Corporation of the establishment or designation of the State Commission or use of an alternative administrative entity for the State. The notification shall include a description of—

“(A) the composition and membership of the State Commission or alternative administrative entity; and

“(B) the authority of the State Commission or alternative administrative entity regarding national service activities carried out by the State.

“(2) APPROVAL OF ALTERNATIVE ADMINISTRATIVE ENTITY.—Any designation of a State Commission or use of an alternative administrative entity to carry out the duties of a State Commission shall be subject to the approval of the Corporation.

“(3) REJECTION.—The Corporation may reject a State Commission if the Corporation determines that the composition, membership, or duties of the State Commission do not comply with the requirements of this section. The Corporation shall reject a request to use an alternative administrative entity in lieu of a State Commission if the Corporation determines that use of the alternative administrative entity does not allow the individuals described in paragraph (1), and some of the individuals described in paragraph (2), of subsection (c) to play a significant policymaking role in carrying out the duties otherwise entrusted to a State Commission. If the Corporation rejects a State Commission or alternative administrative entity under this paragraph, the Corporation shall promptly notify the State of the reasons for the rejection.

“(4) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State notified under paragraph (3) with a reasonable opportunity to revise the rejected State Commission or alternative administrative entity. At the request of the State, the Corporation shall provide technical assistance to the State as part of the revision process. The Corporation shall promptly reconsider any resubmission of a notification under paragraph (1) or application to use an alternative administrative entity under paragraph (2).

“(5) SUBSEQUENT CHANGES.—This subsection shall also apply to any change in the composition or duties of a State Commission or an alternative administrative entity made after approval of the State Commission or the alternative administrative entity.

“(i) COORDINATION.—

“(1) COORDINATION WITH OTHER STATE AGENCIES.—The State Commission or alternative administrative entity for a State shall coordinate the activities of the Commission or entity under this Act with the activities of other State agencies that administer Federal financial assistance programs under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) or other appropriate Federal financial assistance programs.

“(2) COORDINATION WITH VOLUNTEER SERVICE PROGRAMS.—

“(A) IN GENERAL.—The State Commission or alternative administrative entity for a State shall coordinate functions of the Commission or entity (including recruitment, public awareness, and training activities) with such functions of any division of ACTION, or of the Corporation, that carries out volunteer service programs in the State.

“(B) AGREEMENT.—In coordinating functions under this paragraph, such Commission

or entity, and such division, may enter into an agreement to—

- “(i) carry out such a function jointly;
- “(ii) to assign responsibility for such a function to the Commission or entity; or
- “(iii) to assign responsibility for such a function to the division.

“(C) INFORMATION.—The State Commission or alternative entity for a State, and the head of any such division, shall exchange information about—

“(i) the programs carried out in the State by the Commission, entity, or division, as appropriate; and

“(ii) opportunities to coordinate activities.

“(j) LIABILITY.—

“(1) LIABILITY OF STATE.—Except as provided in paragraph (2)(B), a State shall agree to assume liability with respect to any claim arising out of or resulting from any act or omission by a member of the State Commission or alternative administrative entity of the State, within the scope of the service of the member on the State Commission or alternative administrative entity.

“(2) OTHER CLAIMS.—

“(A) IN GENERAL.—A member of the State Commission or alternative administrative entity shall have no personal liability with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the State Commission or alternative administrative entity.

“(B) LIMITATION.—This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the State Commission or alternative administrative entity.

“(3) EFFECT ON OTHER LAW.—This subsection shall not be construed—

“(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such service;

“(B) to affect any other right or remedy against the State under applicable law, or against any person other than a member of the State Commission or alternative administrative entity; or

“(C) to limit or alter in any way the immunities that are available under applicable law for State officials and employees not described in this subsection.”

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 178 and inserting the following new item:

“Sec. 178. State Commissions on National and Community Service.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1993.

(d) TRANSITIONAL PROVISIONS.—

(1) USE OF ALTERNATIVES TO STATE COMMISSION.—If a State does not have a State Commission on National and Community Service that satisfies the requirements specified in section 178 of the National and Community Service Act of 1990, as amended by subsection (a), the Corporation for National and Community Service may authorize the chief executive of the State to use an existing agency of the State to perform the duties otherwise reserved to a State Commission under subsection (e) of such section.

(2) APPLICATION OF SUBSECTION.—This subsection shall apply only during the 1-year period beginning on the date of the enactment of this Act.

SEC. 202. INTERIM AUTHORITIES OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AND ACTION AGENCY.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Subtitle G of title I of the National and Community Service Act of 1990 (42 U.S.C. 12651) is amended to read as follows:

“Subtitle G—Corporation for National and Community Service

“SEC. 191. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

“There is established a Corporation for National and Community Service that shall administer the programs established under this Act. The Corporation shall be a Government corporation, as defined in section 103 of title 5, United States Code.

“SEC. 192. BOARD OF DIRECTORS.

“(a) COMPOSITION.—

“(1) IN GENERAL.—There shall be in the Corporation a Board of Directors (referred to in this subtitle as the ‘Board’) that shall be composed of—

“(A) 15 members, including an individual between the ages of 16 and 25 who—

“(i) has served in a school-based or community-based service-learning program; or

“(ii) is a participant or a supervisor in a program,

to be appointed by the President of the United States, by and with the advice and consent of the Senate;

“(B) the President of the Corporation, who shall serve as an ex officio nonvoting member; and

“(C) the ex officio nonvoting members described in paragraph (3).

“(2) QUALIFICATIONS.—To the maximum extent practicable, the President of the United States shall appoint members—

“(A) who have extensive experience in volunteer or service activities, such as—

“(i) activities funded under the national service laws; and

“(ii) Federal financial assistance activities, such as—

“(I) activities under the Head Start Act (42 U.S.C. 9831 et seq.);

“(II) activities under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.); or

“(III) antipoverty activities under other Federal law;

“(B) who represent a broad range of viewpoints;

“(C) who are experts in the delivery of human, educational, environmental, or public safety services;

“(D) that include at least one representative of local educators and at least one representative of community-based agencies;

“(E) so that the Board shall be diverse with respect to race, ethnicity, age, gender, and disability characteristics; and

“(F) so that no more than 8 appointed members of the Board are from a single political party.

“(3) EX OFFICIO MEMBERS.—The Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Housing and Urban Development, the Secretary of Defense, the Attorney General, the Director of the Peace Corps, and the Administrator of the Environmental Protection Agency shall serve as ex officio nonvoting members of the Board.

“(b) OFFICERS.—

“(1) CHAIRPERSON AND VICE CHAIRPERSON.—The Board shall elect a Chairperson and a Vice Chairperson from among its member-

“(2) OTHER OFFICERS.—The Board may elect from among its membership such additional officers of the Board as the Board determines to be appropriate.

“(c) TERMS.—Each appointed member of the Board shall serve for a term of 3 years, except that 5 of the members first appointed to the Board after the date of enactment of this section shall serve for a term of 1 year and 5 shall serve for a term of 2 years, as designated by the President of the United States.

“(d) VACANCIES.—As vacancies occur on the Board, new members shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

“SEC. 192A. AUTHORITIES AND DUTIES OF THE BOARD OF DIRECTORS.

“(a) MEETINGS.—The Board shall meet not less than 3 times each year. The Board shall hold additional meetings at the call of the Chairperson of the Board, or if 6 members of the Board request such meetings in writing.

“(b) QUORUM.—A majority of the appointed members of the Board shall constitute a quorum.

“(c) AUTHORITIES OF OFFICERS.—

“(1) CHAIRPERSON.—The Chairperson of the Board may call and conduct meetings of the Board.

“(2) VICE CHAIRPERSON.—The Vice Chairperson of the Board may conduct meetings of the Board in the absence of the Chairperson.

“(d) EXPENSES.—While away from their homes or regular places of business on the business of the Board, members of such Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

“(e) SPECIAL GOVERNMENT EMPLOYEES.—For purposes of the provisions of chapter 11 of part I of title 18, United States Code, and any other provision of Federal law, a member of the Board (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

“(f) STATUS OF MEMBERS.—

“(1) TORT CLAIMS.—For the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a member of the Board shall be considered to be a Federal employee.

“(2) OTHER CLAIMS.—A member of the Board shall have no personal liability under Federal law with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the Board, in connection with any transaction involving the provision of financial assistance by the Corporation. This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the Board.

“(3) EFFECT ON OTHER LAW.—This subsection shall not be construed—

“(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such transactions;

“(B) to affect any other right or remedy against the Corporation, against the United

States under applicable law, or against any person other than a member of the Board participating in such transactions; or

"(C) to limit or alter in any way the immunities that are available under applicable law for Federal officials and employees not described in this subsection.

"(g) DUTIES.—The Board shall—

"(1) review and approve the strategic plan described in section 193A(b)(1), and annual updates of the plan;

"(2) review and approve the proposal described in section 193A(b)(2)(A), with respect to the grants, allotments, contracts, financial assistance, payment, and positions referred to in such section;

"(3) review and approve the proposal described in section 193A(b)(3)(A), regarding the regulations, standards, policies, procedures, programs, and initiatives referred to in such section;

"(4) review and approve the evaluation plan described in section 193A(b)(4)(A);

"(5)(A) review, and advise the President regarding, the actions of the President with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

"(B) inform the President of any aspects of the actions of the President that are not in compliance with the annual strategic plan referred to in paragraph (1), the proposals referred to in paragraphs (2) and (3), or the plan referred to in paragraph (4), or are not consistent with the objectives of this Act;

"(6) receive, and act on, the reports issued by the Inspector General of the Corporation;

"(7) make recommendations relating to a program of research for the Corporation with respect to national and community service programs, including service-learning programs;

"(8) advise the President of the United States and the Congress concerning developments in national and community service that merit the attention of the President of the United States and the Congress; and

"(9) ensure effective dissemination of information regarding the programs and initiatives of the Corporation.

"(h) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.

"SEC. 193. PRESIDENT.

"(a) APPOINTMENT.—The Corporation shall be headed by an individual who shall serve as President of the Corporation, and who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

"(b) COMPENSATION.—The President shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(c) REGULATIONS.—The President shall prescribe such rules and regulations as are necessary or appropriate to carry out this Act.

"SEC. 193A. AUTHORITIES AND DUTIES OF THE PRESIDENT.

"(a) GENERAL POWERS AND DUTIES.—The President shall be responsible for the exercise of the powers and the discharge of the duties of the Corporation that are not reserved to the Board, and shall have authority and control over all personnel of the Corporation, except as provided in section 194(b)(4).

"(b) DUTIES.—In addition to the duties conferred on the President under any other provision of this Act, the President shall—

"(1) prepare and submit to the Board a strategic plan every 3 years, and annual up-

dates of the plan, for the Corporation with respect to the major functions and operations of the Corporation;

"(2)(A) prepare and submit to the Board a proposal with respect to such grants and allotments, contracts, other financial assistance, and designation of positions as approved national service positions, as are necessary or appropriate to carry out this Act; and

"(B) after receiving and reviewing an approved proposal under section 192A(g)(2), make such grants and allotments, enter into such contracts, award such other financial assistance, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of financial assistance otherwise authorized under this Act, with necessary adjustments on account of overpayments and underpayments), and designate such positions as approved national service positions as are necessary or appropriate to carry out this Act;

"(3)(A) prepare and submit to the Board a proposal regarding the regulations established under section 195(a)(4)(B)(i), and such other standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

"(B) after receiving and reviewing an approved proposal under section 192A(g)(3)—

"(i) establish such standards, policies, and procedures as are necessary or appropriate to carry out this Act; and

"(ii) establish and administer such programs and initiatives as are necessary or appropriate to carry out this Act;

"(4)(A) prepare and submit to the Board a plan for the evaluation of programs established under this Act, in accordance with section 179; and

"(B) after receiving an approved proposal under section 192A(g)(4)—

"(i) establish measurable performance goals and objectives for such programs, in accordance with section 179; and

"(ii) provide for periodic evaluation of such programs to assess the manner and extent to which the programs achieve the goals and objectives, in accordance with such section;

"(5) consult with appropriate Federal agencies in administering the programs and initiatives;

"(6) suspend or terminate payments and positions described in paragraph (2)(B), in accordance with section 176;

"(7) prepare and submit to the Board an annual report, and such interim reports as may be necessary, describing the major actions of the President with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives;

"(8) inform the Board of, and provide an explanation to the Board regarding, any substantial differences regarding the implementation of this Act between—

"(A) the actions of the President; and

"(B)(i) the strategic plan approved by the Board under section 192A(g)(1);

"(ii) the proposals approved by the Board under paragraph (2) or (3) of section 192A(g); or

"(iii) the evaluation plan approved by the Board under section 192A(g)(4); and

"(9) prepare and submit to the appropriate committees of Congress an annual report, and such interim reports as may be necessary, describing—

"(A) the services referred to in paragraph (1), and the money and property referred to in paragraph (2), of section 196(a) that have been accepted by the Corporation;

"(B) the manner in which the Corporation used or disposed of such services, money, and property; and

"(C) information on the results achieved by the programs funded under this Act during the year preceding the year in which the report is prepared.

"(c) POWERS.—In addition to the authority conferred on the President under any other provision of this Act, the President may—

"(1) establish, alter, consolidate, or discontinue such organizational units or components within the Corporation as the President considers necessary or appropriate, consistent with Federal law, and shall, to the maximum extent practicable, consolidate such units or components of the division of the Corporation that carries out volunteer service programs and the division of the Corporation that carries out financial assistance programs as may be appropriate to enable the two divisions to coordinate common support functions, such as recruiting, public awareness, or training functions;

"(2) with the approval of the President of the United States, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act;

"(3) with their consent, utilize the services and facilities of Federal agencies with or without reimbursement, and, with the consent of any State, or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions without reimbursement;

"(4) allocate and expend funds made available under this Act, including expenditure for construction, repairs, and capital improvements;

"(5) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as the President shall determine to be appropriate to public agencies, private organizations, and the general public;

"(6) collect or compromise all obligations to or held by the President and all legal or equitable rights accruing to the President in connection with the payment of obligations in accordance with chapter 37 of title 31, United States Code (commonly known as the 'Federal Claims Collection Act of 1966');

"(7) expend funds made available for purposes of this Act for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the President;

"(8) file a civil action in any court of record of a State having general jurisdiction or in any district court of the United States, with respect to a claim arising under this Act;

"(9) exercise the authorities of the Corporation under section 196;

"(10) consolidate the reports to Congress required under this Act, and the report required under section 9106 of title 31, United States Code, into a single report, and submit the report to Congress on an annual basis; and

"(11) generally perform such functions and take such steps consistent with the objectives and provisions of this Act, as the President determines to be necessary or appropriate to carry out such provisions.

"(d) DELEGATION.—

"(1) DEFINITION.—As used in this subsection, the term 'function' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

"(2) IN GENERAL.—Except as otherwise prohibited by law or provided in this Act, the President may delegate any function under

this Act, and authorize such successive re-delegations of such function as may be necessary or appropriate. No delegation of a function by the President under this subsection or under any other provision of this Act shall relieve such President of responsibility for the administration of such function.

“(3) FUNCTION OF BOARD.—The President may not delegate a function of the Board without the permission of the Board.

“(e) ACTIONS.—In an action described in subsection (c)(8)—

“(1) a district court referred to in such subsection shall have jurisdiction of such a civil action without regard to the amount in controversy;

“(2) such an action brought by the President shall survive notwithstanding any change in the person occupying the office of President or any vacancy in that office;

“(3) no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the President or the Board or property under the control of the President or the Board; and

“(4) nothing in this section shall be construed to except litigation arising out of activities under this Act from the application of sections 509, 517, 547, and 2679 of title 28, United States Code.

“SEC. 194. OFFICERS.

“(a) MANAGING DIRECTORS.—

“(1) IN GENERAL.—There shall be in the Corporation 2 Managing Directors, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and who shall report to the President.

“(2) COMPENSATION.—The Managing Directors shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

“(3) DUTIES.—

“(A) VOLUNTEER SERVICE PROGRAMS.—One of the Managing Directors shall be primarily responsible for the volunteer service programs carried out by the Corporation.

“(B) INVESTMENT PROGRAMS.—The other Managing Director shall be primarily responsible for the financial assistance programs carried out by the Corporation.

“(b) INSPECTOR GENERAL.—

“(1) OFFICE.—There shall be in the Corporation an Office of the Inspector General.

“(2) APPOINTMENT.—The Office shall be headed by an Inspector General, appointed in accordance with the Inspector General Act of 1978.

“(3) COMPENSATION.—The Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

“(4) PERSONNEL.—Notwithstanding paragraphs (7) and (8) of section 6(a) of the Inspector General Act of 1978, the Inspector General may—

“(A) appoint and determine the compensation of such officers and employees in accordance with section 195(a)(4); and

“(B) procure the temporary and intermittent services of and compensate such experts and consultants, in accordance with section 3109(b) of title 5, United States Code,

as may be necessary to carry out the functions, powers, and duties of the Inspector General.

“(c) CHIEF FINANCIAL OFFICER.—

“(1) OFFICE.—There shall be in the Corporation a Chief Financial Officer, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

“(2) COMPENSATION.—The Chief Financial Officer shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

“(3) DUTIES.—The Chief Financial Officer shall—

“(A) report directly to the President regarding financial management matters;

“(B) oversee all financial management activities relating to the programs and operations of the Corporation;

“(C) develop and maintain an integrated accounting and financial management system for the Corporation, including financial reporting and internal controls;

“(D) develop and maintain any joint financial management systems with the Department of Education necessary to carry out the programs of the Corporation; and

“(E) direct, manage, and provide policy guidance and oversight of the financial management personnel, activities, and operations of the Corporation.

“SEC. 195. EMPLOYEES, CONSULTANTS, AND OTHER PERSONNEL.

“(a) EMPLOYEES.—

“(1) IN GENERAL.—Except as provided in section 194(b)(4), it is within the exclusive discretion of the President to appoint and determine the compensation of such employees as the President determines to be necessary to carry out the duties of the Corporation.

“(2) CIVIL SERVICE PROTECTIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the provisions of title 5, United States Code, shall apply with respect to the Corporation and the employees of the Corporation.

“(B) APPOINTMENT AND COMPENSATION.—Except as provided in section 194(b)(4), it is within the exclusive discretion of the President to appoint and determine the compensation of employees under this subsection without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates (other than the provisions described in clauses (iii) and (iv) of paragraph (4)(B)).

“(3) APPOINTMENT IN THE COMPETITIVE SERVICE AFTER EMPLOYMENT IN THE CORPORATION.—

“(A) EMPLOYEES WITH NOT LESS THAN 3 YEARS OF EMPLOYMENT.—If an employee, other than a representative described in subsection (b), is separated from the Corporation (other than by removal for cause), and has been continuously employed by the Corporation for a period of not less than 3 years, such period shall be treated as a period of service in the competitive service for purposes of chapter 33 of title 5, United States Code.

“(B) EMPLOYEES WITH NOT LESS THAN 1 BUT LESS THAN 3 YEARS OF EMPLOYMENT.—If an employee, other than a representative described in subsection (b), is separated from the Corporation (other than by removal for cause), and has been continuously employed by the Corporation for a period of not less than 1 year, but less than 3 years, such period shall be treated as a period of service in the competitive service for purposes of chapter 33 of title 5, United States Code, until the date that is 3 years after the date of separation.

“(C) DEFINITION.—As used in this paragraph, the term ‘competitive service’ has the meaning given the term in section 2102 of title 5, United States Code.

“(4) APPOINTMENT AND COMPENSATION.—

“(A) IN GENERAL.—The Chairperson shall appoint and determine the compensation of employees referred to in paragraph (1), in accordance with the appointment and compensation systems referred to in subparagraph (B).

“(B) CORPORATION APPOINTMENT AND COMPENSATION SYSTEMS.—

“(i) ESTABLISHMENT OF SYSTEM.—The President, after reviewing the approved proposal of the Board under section 192A(g)(3) and after obtaining the approval of the Director of the Office of Personnel Management, shall issue regulations establishing appointment and compensation systems for the Corporation.

“(ii) CONTENT AND CONSIDERATIONS.—In issuing such regulations, the President shall—

“(I) establish appropriate appointment and compensation mechanisms for the representatives described in subsection (b); and

“(II) take into consideration the need for flexibility in such a system.

“(iii) APPOINTMENT SYSTEM.—The appointment system shall require that the appointment of such an employee be—

“(I) on the basis of the qualifications of applicants and the requirements of the position, in accordance with the merit system principles set forth in section 2301(b) of title 5, United States Code; and

“(II) through a competitive process.

“(iv) COMPENSATION SYSTEM.—

“(I) IN GENERAL.—The compensation system shall include a scheme for the classification of positions in the Corporation. The system shall require that the compensation of such an employee be determined based in part on the job performance of the employee, and in a manner consistent with the principles described in section 5301 of title 5, United States Code.

“(II) LIMITATION ON EMPLOYEE COMPENSATION.—The rate of compensation for each employee compensated through the system shall not exceed the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

“(III) LIMITATION ON COMPENSATION OF REPRESENTATIVE.—The rate of pay for a representative described in subsection (b) shall not exceed the maximum rate of basic pay payable for grade GS-13 of the General Schedule under section 5332 of title 5, United States Code.

“(5) RETENTION OF CIVIL SERVICE RIGHTS.—

“(A) RETENTION OF COMPETITIVE SERVICE RIGHTS.—An individual who—

“(i) was an employee of ACTION or the Commission on National and Community Service who served under a permanent appointment on the day before the date of enactment of this subtitle in—

“(I) a position in the competitive service; or

“(II) a career appointee position in the Senior Executive Service;

“(ii) is transferred to the Corporation under section 202(c) or 203(c) of the National and Community Service Trust Act of 1993; and

“(iii) accepts a position established under paragraph (4) in the Corporation, shall be appointed to a position in the competitive service of the Corporation.

“(B) DURATION OF POSITION IN COMPETITIVE SERVICE.—During the period of employment of such an employee in a position, the position shall be a position in the competitive service. After such period of employment, the position shall be a position in the excepted service unless the President appoints

an individual to such position in accordance with the provisions described in subsection (a)(2).

“(C) ESTABLISHMENT OF POSITIONS.—With respect to a position vacancy or a position to be established in the Corporation, the President—

“(i) shall select the individual to be appointed to such position in accordance with the regulations promulgated under paragraph (4);

“(ii) if the individual to be appointed to the position is an individual described in subparagraph (A), shall establish the position as a position in the competitive service; and

“(iii) if the individual to be so appointed is not an individual described in subparagraph (A)—

“(I) may establish the position as a position in the excepted service; and

“(II) in an exceptional case in which the individual, immediately prior to accepting the position, served under a permanent appointment in a position described in subclause (I) or (II) of subparagraph (A)(i), may establish the position as a position in the competitive service.

in any case in which an individual described in subparagraph (A) is an employee of the Corporation and is eligible to be appointed to such position.

“(D) DEFINITIONS.—As used in this paragraph:

“(i) COMPETITIVE SERVICE.—The term ‘competitive service’ has the meaning given the term in section 2102 of title 5, United States Code.

“(ii) EXCEPTED SERVICE.—The term ‘excepted service’ has the meaning given the term in section 2103 of title 5, United States Code.

“(iii) SENIOR EXECUTIVE SERVICE.—The term ‘Senior Executive Service’ has the meaning given the term in section 2101a of title 5, United States Code.

“(b) CORPORATION REPRESENTATIVE IN EACH STATE.—

“(1) DESIGNATION OF REPRESENTATIVE.—The Corporation shall designate 1 employee of the Corporation for each State or group of States to serve as the representative of the Corporation in the State or States and to assist the Corporation in carrying out the activities described in this Act in the State or States.

“(2) DUTIES.—The representative designated under this subsection for a State or group of States shall serve as the liaison between—

“(A) the Corporation and the State Commission that is established in the State or States;

“(B) the Corporation and any subdivision of a State, Indian tribe, public or private nonprofit organization, or institution of higher education, in the State or States, that is awarded a grant under section 121 directly from the Corporation; and

“(C) the State Commission and the Corporation employee responsible for volunteer service programs in the State, if the employee is not the representative described in paragraph (1) for the State.

“(3) MEMBER OF STATE COMMISSION.—The representative designated under this subsection for a State or group of States shall also serve as a voting member of the State Commission established in the State or States.

“(c) CONSULTANTS.—The President may procure the temporary and intermittent services of experts and consultants and compensate the experts and consultants in ac-

cordance with section 3109(b) of title 5, United States Code.

“(d) DETAILS OF PERSONNEL.—The head of any Federal department or agency may detail on a reimbursable basis, or on a non-reimbursable basis for not to exceed 180 calendar days during any fiscal year, as agreed upon by the President and the head of the Federal agency, any of the personnel of that department or agency to the Corporation to assist the Corporation in carrying out the duties of the Corporation under this Act. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

“(e) ADVISORY COMMITTEES.—

“(1) ESTABLISHMENT.—The President, acting upon the recommendation of the Board, may establish advisory committees in the Corporation to advise the Board with respect to national service issues, such as the type of programs to be established or assisted under the national service laws, priorities and criteria for such programs, and methods of conducting outreach for, and evaluation of, such programs.

“(2) COMPOSITION.—Such an advisory committee shall be composed of members appointed by the President, with such qualifications as the President may specify.

“(3) EXPENSES.—Members of such an advisory committee may be allowed travel expenses as described in section 192A(d).

“(4) STAFF.—The President is authorized to appoint and fix the compensation of such staff as the President determines to be necessary to carry out the functions of the advisory committee, in accordance with subsection (a)(2), and without regard to the selection and compensation systems described in subsection (a)(4)(B). Such compensation shall not exceed the rate described in subsection (a)(4)(B)(iv)(III).

“SEC. 196. ADMINISTRATION.

“(a) DONATIONS.—

“(1) SERVICES.—

“(A) VOLUNTEERS.—Notwithstanding section 1342 of title 31, United States Code, the Corporation may solicit and accept the voluntary services of individuals to assist the Corporation in carrying out the duties of the Corporation under this Act, and may provide to such individuals the travel expenses described in section 192A(d).

“(B) LIMITATION.—Such a volunteer shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that—

“(i) for the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a volunteer under this subtitle shall be considered to be a Federal employee;

“(ii) for the purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, volunteers under this subtitle shall be considered to be employees, as defined in section 8101(1)(B) of title 5, United States Code, and the provisions of such subchapter shall apply; and

“(iii) for purposes of the provisions of chapter 11 of part I of title 18, United States Code, such a volunteer (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

“(C) INHERENTLY GOVERNMENTAL FUNCTION.—

“(i) IN GENERAL.—Such a volunteer shall not carry out an inherently governmental function.

“(ii) REGULATIONS.—The President shall promulgate regulations to carry out this subparagraph.

“(iii) INHERENTLY GOVERNMENTAL FUNCTION.—As used in this subparagraph, the term ‘inherently governmental function’ means any activity that is so intimately related to the public interest as to mandate performance by an officer or employee of the Federal Government, including an activity that requires either the exercise of discretion in applying the authority of the Government or the use of value judgment in making a decision for the Government.

“(2) PROPERTY.—

“(A) IN GENERAL.—The Corporation may solicit, accept, hold, administer, use, and dispose of, in furtherance of the purposes of this Act, donations of any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise. Donations accepted under this subparagraph shall be used as nearly as possible in accordance with the terms, if any, of such donation.

“(B) TAX.—For purposes of Federal income, estate, and gift taxes, money or property accepted under subparagraph (A) shall be considered to be a gift, devise, or bequest to, or for the use of, the United States.

“(C) RULES.—The President shall establish written rules to ensure that the solicitation, acceptance, holding, administration, and use of property described in subparagraph (A)—

“(i) will not reflect unfavorably upon the ability of the Corporation, or of any officer or employee of the Corporation, to carry out the responsibilities or official duties of the Corporation in a fair and objective manner; and

“(ii) will not compromise the integrity of the programs of the Corporation or any official or employee of the Corporation involved in such programs.

“(D) DISPOSITION.—Upon completion of the use by the Corporation of any property accepted pursuant to subparagraph (A) (other than money or monetary proceeds from sales of property so accepted), such completion shall be reported to the General Services Administration and such property shall be disposed of in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

“(3) VOLUNTEER.—As used in this subsection, the term ‘volunteer’ does not include a participant.

“(b) CONTRACTS.—Subject to the Federal Property and Administrative Services Act of 1949, the Corporation may enter into contracts, and cooperative and interagency agreements, with Federal and State agencies, private firms, institutions, and individuals to conduct activities necessary to assist the Corporation in carrying out the duties of the Corporation under this Act.

“(c) OFFICE OF MANAGEMENT AND BUDGET.—Appropriate circulars of the Office of Management and Budget shall apply to the Corporation.”

(b) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended by inserting after the second sentence the following: “The Director shall report directly to the President of the Corporation for National and Community Service.”

(c) TRANSFER OF FUNCTIONS OF COMMISSION ON NATIONAL AND COMMUNITY SERVICE.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context, each term specified in section 203(c)(1) shall have the meaning given the term in such section.

(2) **TRANSFER OF FUNCTIONS.**—There are transferred to the Corporation the functions that the Board of Directors or Executive Director of the Commission on National and Community Service exercised before the effective date of this subsection (including all related functions of any officer or employee of the Commission).

(3) **APPLICATION.**—The provisions of paragraphs (3) through (10) of section 203(c) shall apply with respect to the transfer described in paragraph (2), except that—

(A) for purposes of such application, references to the term "ACTION Agency" shall be deemed to be references to the Commission on National and Community Service; and

(B) paragraph (10) of such section shall not preclude the transfer of the members of the Board of Directors of the Commission to the Corporation if, on the effective date of this subsection, the Board of Directors of the Corporation has not been confirmed.

(d) **CONTINUING PERFORMANCE OF CERTAIN FUNCTIONS.**—The individuals who, on the day before the date of enactment of this Act, are performing any of the functions required by section 190 of the National and Community Service Act of 1990 (42 U.S.C. 12651), as in effect on such date, to be performed by the members of the Board of Directors of the Commission on National and Community Service may, subject to section 193A of the National and Community Service Act of 1990, as added by subsection (a) of this section, continue to perform such functions until the date on the Board of Directors of the Corporation for National and Community Service conducts the first meeting of the Board. The service of such individuals as members of the Board of Directors of such Commission, and the employment of such individuals as special government employees, shall terminate on such date.

(e) **JOB SEARCH ASSISTANCE.**—The President of the Corporation shall establish a program to provide, or shall seek to enter into a memorandum of understanding with the Director of the Office of Personnel Management to provide, job search and related assistance to employees of the ACTION agency who are not transferred to the Corporation for National and Community Service under section 203(c). The President of the Corporation shall make available funds appropriated under section 501(a)(4) of the National and Community Service Act of 1990 in order to provide such assistance.

(f) **GOVERNMENT CORPORATION CONTROL.**—

(1) **WHOLLY OWNED GOVERNMENT CORPORATION.**—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (D) the following:

"(E) the Corporation for National and Community Service."

(2) **AUDITS.**—Section 9105(a)(1) of title 31, United States Code, is amended by inserting "or under other Federal law," before "or by an independent".

(g) **DISPOSAL OF PROPERTY.**—Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following:

"(5)(A) Under such regulations as the Administrator may prescribe, the Administrator is authorized, in the discretion of the Administrator, to assign to the President of the Corporation for National and Community Service for disposal such surplus property as is recommended by the President as being needed for national service activities.

"(B) Subject to the disapproval of the Administrator, within 30 days after notice to the Administrator by the President of the

Corporation for National and Community Service of a proposed transfer of property for such activities, the President, through such officers or employees of the Corporation as the President may designate, may sell, lease, or donate such property to any entity that receives financial assistance under the National and Community Service Act of 1990 for such activities.

"(C) In fixing the sale or lease value of such property, the President of the Corporation for National and Community Service shall comply with the requirements of paragraph (1)(C)."

(h) **INSPECTOR GENERAL.**—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1), by inserting "the Board of Directors of the Corporation for National and Community Service;" after "Thrift Depositor Protection Oversight Board"; and

(2) in paragraph (2), by inserting "the Corporation for National and Community Service," after "United States Information Agency".

(i) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle G of title I of such Act and inserting the following:

"Subtitle G—Corporation for National and Community Service
 "Sec. 191. Corporation for National and Community Service.
 "Sec. 192. Board of Directors.
 "Sec. 192A. Authorities and duties of the Board of Directors.
 "Sec. 193. President.
 "Sec. 193A. Authorities and duties of the President.
 "Sec. 194. Officers.
 "Sec. 195. Employees, consultants, and other personnel.
 "Sec. 196. Administration."

(j) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 1993.

(2) **ESTABLISHMENT AND APPOINTMENT AUTHORITIES.**—Sections 191, 192, and 193 of the National and Community Service Act of 1990, as added by subsection (a), shall take effect on the date of enactment of this Act.

SEC. 203. FINAL AUTHORITIES OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

(a) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—

(1) **APPLICATION.**—

(A) **EVALUATION.**—Subsections (a), (d), and (e) of section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended by striking "this title" and inserting "the national service laws".

(B) **CORPORATION.**—Subtitle I of the National and Community Service Act of 1990 (as amended by section 202 of this Act) is amended in section 191, section 192A(g)(5), section 193(c), subsections (b), (c) (other than paragraph (8)), and (d) of section 193A, subsections (b) and (d) of section 195, and subsections (a) and (b) of section 196, by striking "this Act" each place the term appears and inserting "the national service laws".

(2) **GRANTS.**—Section 192A(g) of the National and Community Service Act of 1990 (as added by section 202 of this Act) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by redesignating paragraph (9) as paragraph (10); and

(C) by inserting after paragraph (8) the following:

"(9) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under the provisions of the Domestic Volunteer Service Act of 1973 (except as provided in section 108 of the Domestic Volunteer Service Act of 1973), which may provide that the agency or organization shall pay all or a part of the costs of the program; and"

(3) **RECRUITMENT AND PUBLIC AWARENESS FUNCTIONS.**—Section 193A of the National and Community Service Act of 1993 (as added by section 202 of this Act) is amended by adding at the end the following:

"(f) **RECRUITMENT AND PUBLIC AWARENESS FUNCTIONS.**—

"(1) **EFFORT.**—The President shall ensure that the Corporation, in carrying out the recruiting and public awareness functions of the Corporation, shall expend at least the level of effort on recruitment and public awareness activities related to the programs referred to in section 194(a)(3)(A) as ACTION expended on recruitment and public awareness activities related to programs under the Domestic Volunteer Service Act of 1973 during fiscal year 1993.

"(2) **PERSONNEL.**—The President shall assign or hire, as necessary, such additional national, regional, and State personnel to carry out such recruiting and public awareness functions as may be necessary to ensure that such functions are carried out in a timely and effective manner. The President shall give priority in the hiring of such additional personnel to individuals who have formerly served as volunteers in the programs referred to in section 194(a)(3)(A), or similar programs, and to individuals who have specialized experience in the recruitment of volunteers.

"(3) **FUNDS.**—For the first fiscal year after the effective date of this subsection, and for each fiscal year thereafter, for the purpose of carrying out such recruiting and public awareness functions, the President shall obligate not less than 1.5 percent of the amounts appropriated for the fiscal year under section 501(a) of the Domestic Volunteer Service Act of 1973."

(4) **ASSISTANT DIRECTORS.**—Section 194 of the National and Community Service Act of 1990 (as added by section 202 of this Act) is amended by adding at the end the following:

"(d) **ASSISTANT DIRECTORS.**—

"(1) **IN GENERAL.**—There shall be in the Corporation four Assistant Directors, each of whom shall be appointed by the President, and who shall report directly to the Managing Director described in subsection (a)(3)(A).

"(2) **DUTIES.**—

"(A) **VISTA AND OTHER ANTIPOVERTY PROGRAMS.**—One of the Assistant Directors shall be primarily responsible for the VISTA and other antipoverty programs under title I of the Domestic Volunteer Service Act of 1973.

"(B) **RETIRED AND SENIOR VOLUNTEER PROGRAMS.**—One of the Assistant Directors shall be primarily responsible for the Retired and Senior Volunteer Program established under part A of title II of such Act.

"(C) **FOSTER GRANDPARENT PROGRAM.**—One of the Assistant Directors shall be primarily responsible for the Foster Grandparent Program established under part B of title II of such Act.

"(D) **SENIOR COMPANION PROGRAM.**—One of the Assistant Directors shall be primarily responsible for the Senior Companion Program

established under part C of title II of such Act."

(b) **AUTHORITIES OF ACTION AGENCY.**—Sections 401 and 402 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041 and 5042) are repealed.

(c) **TRANSFER OF FUNCTIONS FROM ACTION AGENCY.**—

(1) **DEFINITIONS.**—For purposes of this subsection, unless otherwise provided or indicated by the context—

(A) the term "Corporation" means the Corporation for National and Community Service, established under section 191 of the National and Community Service Act of 1990;

(B) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(C) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program;

(D) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof; and

(E) the term "President", except as used as part of the term "President of the United States", means the President of the Corporation.

(2) **TRANSFER OF FUNCTIONS.**—There are transferred to the Corporation such functions as the President of the United States determines to be appropriate that the Director of the ACTION Agency exercised before the effective date of this subsection (including all related functions of any officer or employee of the ACTION Agency).

(3) **DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.**—The President of the United States may delegate to the Director of the Office of Management and Budget the authority to make any determination of the functions that are transferred under paragraph (2), if the President determines that such a delegation would be appropriate.

(4) **REORGANIZATION.**—The President is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Corporation, after providing notice of the allocation or reallocation to Congress.

(5) **TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.**—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Corporation. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(6) **INCIDENTAL TRANSFER.**—The Director of the Office of Management and Budget is authorized to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be necessary to effectuate the purposes of this subsection.

(7) **EFFECT ON PERSONNEL.**—

(A) **IN GENERAL.**—Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection.

(B) **EXECUTIVE SCHEDULE POSITIONS.**—Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Corporation to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(C) **TERMINATION OF CERTAIN POSITIONS.**—Positions whose incumbents are appointed by the President of the United States, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

(8) **SAVINGS PROVISIONS.**—

(A) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(i) that have been issued, made, granted, or allowed to become effective by the President of the United States, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this subsection; and

(ii) that are in effect at the time this subsection takes effect, or were final before the effective date of this subsection and are to become effective on or after the effective date of this subsection,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President of the United States, the President of the Corporation, or other authorized official, a court of competent jurisdiction, or by operation of law.

(B) **PROCEEDINGS NOT AFFECTED.**—The provisions of this subsection shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the ACTION Agency at the time this subsection takes effect, with respect to functions transferred by this subsection. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could

have been discontinued or modified if this subsection had not been enacted.

(C) **SUITS NOT AFFECTED.**—The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

(D) **NONABATEMENT OF ACTIONS.**—No suit, action, or other proceeding commenced by or against the ACTION Agency, or by or against any individual in the official capacity of such individual as an officer of the ACTION Agency, shall abate by reason of the enactment of this subsection.

(E) **ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.**—Any administrative action relating to the preparation or promulgation of a regulation by the ACTION Agency relating to a function transferred under this subsection may be continued by the Corporation with the same effect as if this subsection had not been enacted.

(9) **SEVERABILITY.**—If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

(10) **TRANSITION.**—Prior to, or after, any transfer of a function under this subsection, the President is authorized to utilize—

(A) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions that will be or have been transferred to the Corporation by this subsection; and

(B) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subsection.

(d) **DEVELOPMENT OF TRANSFER SCHEDULE.**—The President of the Corporation for National and Community Service, in consultation with the Director of ACTION, shall, not later than 9 months after the date of enactment of this Act, prepare a schedule that specifies the date on which the employees of ACTION will be notified about—

(1) whether their functions will be transferred to the Corporation; and

(2) if such functions will be transferred, the date on which the transfer will occur.

(e) **APPOINTMENT OF ACTION EMPLOYEES.**—During the period beginning on October 1, 1993 and ending on the effective date of subsection (c)(2), in making appointments to the Corporation under the appointment system described in section 195(a)(4)(B)(iii) of the National and Community Service Act of 1990, the President of the Corporation for National and Community Service shall ensure that individuals who are employees of ACTION shall receive fair and equitable treatment.

(f) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), this section, and the amendments made by this section, shall take effect—

(A) 18 months after the date of enactment of this Act; or

(B) on such earlier date (which shall be not earlier than 12 months after the date of the enactment of this Act) as the President of the United States shall determine to be appropriate and announce by proclamation published in the Federal Register.

(2) **TRANSITION.**—Subsections (c)(10), (d), and (e) shall take effect on the date of enactment of this Act.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 501 of the National and Community Service Act of 1990 (42 U.S.C. 12681) is amended to read as follows:

"SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

"(a) TITLE I.—

"(1) SUBTITLE B.—

"(A) IN GENERAL.—There are authorized to be appropriated to provide financial assistance under subtitle B of title I, \$45,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(B) PROGRAMS.—Of the amount appropriated under subparagraph (A) for a fiscal year—

"(i) not more than 63.75 percent shall be available to provide financial assistance under subpart A of part I of subtitle B of title I;

"(ii) not more than 11.25 percent shall be available to provide financial assistance under subpart B of part I of such subtitle; and

"(iii) not more than 25 percent shall be available to provide financial assistance under part II of such subtitle.

"(2) SUBTITLES C, D, AND H.—

"(A) IN GENERAL.—There are authorized to be appropriated to provide financial assistance under subtitles C and H of title I, and to provide national service educational awards under subtitle D of title I, \$389,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(B) PROGRAMS.—Of the amount appropriated under subparagraph (A) for a fiscal year, 15 percent shall be made available to provide financial assistance under sections 125 and 126 and under subtitle H of title I.

"(3) SUBTITLE E.—There are authorized to be appropriated to provide financial assistance under subtitle E of title I, such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(4) ADMINISTRATION.—There are authorized to be appropriated for the administration of this Act such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(b) TITLE III.—There are authorized to be appropriated to carry out title III \$5,000,000 for each of the fiscal years 1994 through 1998.

"(c) AVAILABILITY OF APPROPRIATIONS.—Funds appropriated under this section shall remain available until expended."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993.

Subtitle B—Domestic Volunteer Service Act of 1973

SEC. 311. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Domestic Volunteer Service Act Amendments of 1993".

(b) REFERENCES.—Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

SEC. 321. PURPOSE OF THE VISTA PROGRAM.

The last sentence of section 101 (42 U.S.C. 4951) is amended to read as follows: "In addition,

the objectives of this part are to generate the commitment of private sector resources, to encourage volunteer service at the local level, and to strengthen local agencies and organizations to carry out the purpose of this part."

SEC. 322. SELECTION AND ASSIGNMENT OF VISTA VOLUNTEERS.

(a) VOLUNTEER ASSIGNMENTS.—Section 103(a) (42 U.S.C. 4953(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "a public" and inserting "public";

(2) in paragraph (2), by striking "and" at the end;

(3) in paragraph (3), by striking "illiterate or functionally illiterate youth and other individuals";

(4) in paragraph (5), by striking "and" at the end;

(5) in paragraph (6)—

(A) by striking "the Headstart act, or the Community Economic" and inserting "the Head Start Act, the Community Economic";

(B) by inserting "or other similar Acts," after "1981"; and

(C) by striking the period and inserting "and"; and

(6) by adding at the end the following new paragraph:

"(7) in strengthening, supplementing, and expanding efforts to address the problem of illiteracy throughout the United States."

(b) RECRUITMENT PROCEDURES.—Section 103(b) (42 U.S.C. 4953(b)) is amended—

(1) by striking paragraphs (2), (4), (5) and (6);

(2) by redesignating paragraphs (3) and (7) as paragraphs (2) and (3), respectively;

(3) in paragraph (2) (as redesignated in paragraph (2) of this subsection), by striking "paragraph (7)" and inserting "paragraph (3)"; and

(4) in paragraph (3) (as redesignated in paragraph (2) of this subsection)—

(A) in subparagraph (A), by striking "paragraph (4)" and inserting "paragraph (2)";

(B) by striking subparagraphs (B), (C), and (E);

(C) by redesignating subparagraphs (D) and (F) as subparagraphs (C) and (D), respectively; and

(D) by inserting after subparagraph (A) the following new subparagraph:

"(B) A sponsoring organization may recruit volunteers for service under this part, subject to final approval by the Director."

(c) PUBLIC AWARENESS AND RECRUITMENT.—Subsection (c) of section 103 (42 U.S.C. 4953(c)) is amended—

(1) in paragraph (1), to read as follows:

"(1)(A) The Director shall conduct national and local public awareness and recruitment activities in order to meet the volunteer goals of the program. In conducting such activities, the Director shall place special emphasis on recruiting volunteers for local, community-based programs that serve underrepresented populations, in situations in which volunteers might not otherwise learn about the programs. Such activities shall be coordinated with recruitment authorized under subtitle C or E of the National and Community Service Act of 1990 and may include public service announcements, advertisements, publicity on loan deferments, repayments, and cancellations available to VISTA volunteers, maintenance of a toll-free telephone system, and provision of technical assistance for the recruitment of volunteers to programs and projects receiving assistance under this part.

"(B) The Director shall take steps to recruit individuals 18 through 27 years of age,

55 years of age and older, recent graduates of institutions of higher education, and special skilled volunteers and to promote diverse participation in the program."

(2) in paragraph (3), by adding at the end the following new sentence: "In addition, the Director shall take steps to provide opportunities for returned Peace Corps volunteers to serve in the VISTA program."

(3) by striking paragraphs (4), (5), and (6); and

(4) by adding at the end the following new paragraph:

"(4) From the amounts appropriated under section 501(a) for fiscal year 1994 and each subsequent fiscal year, the Director shall obligate such sums as may be necessary for the purpose of carrying out this subsection in such fiscal year."

(d) COORDINATION WITH OTHER FEDERAL AGENCIES.—Section 103 (42 U.S.C. 4953) is amended by adding at the end the following new subsection:

"(h) The Director is encouraged to enter into agreements with other Federal agencies to use VISTA volunteers in furtherance of program objectives that are consistent with the purposes described in section 101."

SEC. 323. TERMS AND PERIODS OF SERVICE.

(a) CLARIFICATION AND PERIODS OF SERVICE.—Subsection (b) of section 104 (42 U.S.C. 4954(b)) is amended to read as follows:

"(b)(1) Volunteers serving under this part may be enrolled initially for periods of service of not less than 1 year, nor more than 2 years, except as provided in paragraph (2) or subsection (e).

"(2) Volunteers serving under this part may be enrolled for periods of service of less than 1 year if the Director determines, on an individual basis, that a period of service of less than 1 year is necessary to meet a critical scarce skill need.

"(3) Volunteers serving under this part may be reenrolled for periods of service in a manner to be determined by the Director. No volunteer shall serve for more than a total of 5 years under this part."

(b) SUMMER PROGRAM.—Section 104 (42 U.S.C. 4954) is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding any other provision of this part, the Director may enroll full-time VISTA summer associates in a program for the summer months only, under such terms and conditions as the Director shall determine to be appropriate. Such individuals shall be assigned to projects that meet the criteria set forth in section 103(a).

"(2) In preparing reports relating to programs under this Act, the Director shall report on participants, costs, and accomplishments under the summer program separately.

"(3) The limitation on funds appropriated for grants and contracts, as contained in section 108, shall not apply to the summer program."

SEC. 324. SUPPORT FOR VISTA VOLUNTEERS.

(a) POSTSERVICE STIPEND.—Section 105(a)(1) (42 U.S.C. 4955(a)(1)) is amended—

(1) by inserting "(A)" after "(a)(1)"; and

(2) by striking the second sentence and inserting the following:

"(B) Such stipend shall not exceed \$95 per month in fiscal year 1994, but shall be set at a minimum of \$125 per month during the service of the volunteer after October 1, 1994, assuming the availability of funds to accomplish this increase. The Director may provide a stipend of a minimum of \$200 per month in the case of persons who have served as volunteers under this part for at least 1 year and who, in accordance with standards established in such regulations as the Director

shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

"(C) The Director shall not provide a stipend under this subsection to an individual who elects to receive a national service education award under subtitle D of title I of the National and Community Service Act of 1990."

(b) **SUBSISTENCE ALLOWANCE.**—Section 105(b) (42 U.S.C. 4955(b)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (A);

(B) in subparagraph (B), by striking the subparagraph designation; and

(C) by adding at the end the following new sentence: "The Director shall review such adjustments on an annual basis to ensure that the adjustments are current."; and

(2) by striking paragraph (4).

(c) **CHILD CARE.**—Section 105 (42 U.S.C. 4955) is amended by adding at the end the following:

"(c)(1) The Director shall—

"(A) make child care available for children of each volunteer enrolled under this part, including volunteers who need such child care in order to participate as volunteers; or

"(B) provide a child care allowance to each such volunteer who needs such assistance in order to participate as volunteers.

"(2) The Corporation shall establish guidelines regarding the circumstances under which child care shall be made available under this subsection and the value of any child care allowance to be provided."

SEC. 325. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

Section 107 (42 U.S.C. 4957) is amended to read as follows:

SEC. 107. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

"In carrying out this part and part C, the Director shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of individuals 18 through 27 years of age, and individuals 55 years of age and older, in the various programs and activities authorized under such parts."

SEC. 326. LITERACY ACTIVITIES.

Section 109 (42 U.S.C. 4959) is amended—

(1) in subsection (g)—

(A) by striking paragraph (1); and

(B) by striking the paragraph designation of paragraph (2); and

(2) in subsection (h), by striking paragraph (3).

SEC. 327. APPLICATIONS FOR ASSISTANCE.

Section 110 (42 U.S.C. 4960) is amended to read as follows:

SEC. 110. APPLICATIONS FOR ASSISTANCE.

"In reviewing an application for assistance under this part, the Director shall not deny such assistance to any project or program, or any public or private nonprofit organization, solely on the basis of the duration of the assistance such project, program, or organization has received under this part prior to the date of submission of the application. The Director shall grant assistance under this part on the basis of merit and to accomplish the goals of the VISTA program, and shall consider the needs and requirements of projects in existence on such date as well as potential new projects."

SEC. 328. REPEAL OF AUTHORITY FOR STUDENT COMMUNITY SERVICE PROGRAMS.

Section 114 (42 U.S.C. 4974) is repealed.

SEC. 329. UNIVERSITY YEAR FOR VISTA.

(a) **PROGRAM TITLE.**—Part B of title I (42 U.S.C. 4971 et seq.) is amended—

(1) in the part heading, to read as follows:

"PART B—UNIVERSITY YEAR FOR VISTA";

(2) by striking "University Year for ACTION" each place that such term appears in such part and inserting "University Year for VISTA";

(3) by striking "UYA" each place that such term appears in such part and inserting "UYV"; and

(4) in section 112 (42 U.S.C. 4972) by striking the section heading and inserting the following new section heading:

"AUTHORITY TO OPERATE UNIVERSITY YEAR FOR VISTA PROGRAM".

(b) **SPECIAL CONDITIONS.**—Section 113(a) (42 U.S.C. 4973(a)) is amended—

(1) by striking "of not less than the duration of an academic year" and inserting "of not less than the duration of an academic semester or its equivalent"; and

(2) by adding at the end the following new sentence: "Volunteers may receive a living allowance and such other support or allowances as the Director determines to be appropriate."

SEC. 330. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

Section 122 (42 U.S.C. 4992) is amended to read as follows:

SEC. 122. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

"(a) **IN GENERAL.**—The Director is authorized to conduct special volunteer programs for demonstration programs, or award grants to or enter into contracts with public or nonprofit organizations to carry out such programs. Such programs shall encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and identify particular segments of the poverty community that could benefit from volunteer and other antipoverty efforts.

"(b) **ASSIGNMENT AND SUPPORT OF VOLUNTEERS.**—The assignment of volunteers under this section, and the provision of support for such volunteers, including any subsistence allowances and stipends, shall be on such terms and conditions as the Director shall determine to be appropriate, but shall not exceed the level of support provided under section 105. Projects using volunteers who do not receive stipends may also be supported under this section.

"(c) **CRITERIA AND PRIORITIES.**—In carrying out this section and section 123, the Director shall establish criteria and priorities for awarding grants and entering into contracts under this part in each fiscal year. No grant or contract exceeding \$100,000 shall be made under this part unless the recipient of the grant or contractor has been selected by a competitive process that includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process."

SEC. 331. TECHNICAL AND FINANCIAL ASSISTANCE.

Section 123 (42 U.S.C. 4993) is amended to read as follows:

SEC. 123. TECHNICAL AND FINANCIAL ASSISTANCE.

"The Director may provide technical and financial assistance to Federal agencies, State and local governments and agencies, private nonprofit organizations, employers, and other private organizations that utilize or desire to utilize volunteers in carrying out the purpose of this part."

SEC. 332. ELIMINATION OF SEPARATE AUTHORITY FOR DRUG ABUSE PROGRAMS.

Title I (42 U.S.C. 4951 et seq.) is amended—

(1) by repealing section 124; and

(2) by redesignating section 125 as section 124.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

SEC. 341. NATIONAL SENIOR VOLUNTEER CORPS.

(a) **TITLE HEADING.**—The heading for title II is amended to read as follows:

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS"

(b) **REFERENCES.**—

(1) Section 200(1) (42 U.S.C. 5000(1)) is amended by striking "Older American Volunteer Programs" and inserting "National Senior Volunteer Corps".

(2) The heading for section 221 (42 U.S.C. 5021) is amended by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS".

(3) Section 224 (42 U.S.C. 5024) is amended—

(A) in the section heading by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS"; and

(B) by striking "volunteer projects for older Americans" and inserting "National Senior Volunteer Corps projects".

(4) Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended by striking "national older American volunteer programs" each place the term appears and inserting "National Senior Volunteer Corps programs".

SEC. 342. THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

(a) **PART HEADING.**—The heading for part A of title II is amended by striking "RETIRED SENIOR VOLUNTEER PROGRAM" and inserting "RETIRED AND SENIOR VOLUNTEER PROGRAM".

(b) **REFERENCES.**—Section 200 (42 U.S.C. 5000) is amended by striking "retired senior volunteer program" each place that such term appears in such section and inserting "Retired and Senior Volunteer Program".

SEC. 343. OPERATION OF THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

(a) **ELIGIBILITY FOR PARTICIPANTS IN THE PROGRAM.**—Section 201(a) (42 U.S.C. 5001(a)) is amended—

(1) in the matter preceding paragraph (1), by inserting "and older working persons" after "retired persons"; and

(2) in paragraph (2), by striking "aged sixty" and inserting "age 55".

(b) **DELETION OF REQUIREMENT FOR STATE AGENCY REVIEW.**—Section 201 (42 U.S.C. 5001) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

SEC. 344. SERVICES UNDER THE FOSTER GRANDPARENT PROGRAM.

Section 211(a) (42 U.S.C. 5011(a)) is amended by striking ", including services" and all that follows through "with special needs." and inserting a period and the following: "Such services may include services by individuals serving as foster grandparents to children who are individuals with disabilities, who have chronic health conditions, who are receiving care in hospitals, who are residing in homes for dependent and neglected children, or who are receiving services provided by day care centers, schools, early intervention programs under part H of the Individuals with Disabilities Education Act (20 U.S.C. 1471 et seq.), Head Start agencies under the Head Start Act, or any of a variety of other programs, establishments,

and institutions providing services for children with special or exceptional needs. Individual foster grandparents may provide person-to-person services to one or more children, depending on the needs of the project and local site."

SEC. 345. STIPENDS FOR LOW-INCOME VOLUNTEERS.

The second sentence of section 211(d) (42 U.S.C. 5011(d)) is amended by striking "Any stipend or allowance provided under this subsection shall not be less than \$2.20 per hour until October 1, 1990, \$2.35 per hour during fiscal year 1991, and \$2.50 per hour on and after October 1, 1992," and inserting "Any stipend or allowance provided under this section shall not be less than \$2.45 per hour on and after October 1, 1993, and shall be adjusted once prior to December 31, 1997, to account for inflation, as determined by the Director and rounded to the nearest five cents."

SEC. 346. PARTICIPATION OF NON-LOW-INCOME PERSONS UNDER PARTS B AND C.

Subsection (f) of section 211(f) (42 U.S.C. 5011(f)) is amended to read as follows:

"(f) Individuals who are not low-income persons may serve as volunteers under parts B and C, in accordance with such regulations as the Director shall issue, at the discretion of the local project. Such individuals shall not receive any allowance, stipend, or other financial support for such service except reimbursement for transportation, meals, and out-of-pocket expenses related to such service."

SEC. 347. CONDITIONS OF GRANTS AND CONTRACTS.

Section 212 (42 U.S.C. 5012) is repealed.

SEC. 348. EVALUATION OF THE SENIOR COMPANION PROGRAM.

Section 213(c) (42 U.S.C. 5013(c)) is amended by striking paragraph (3).

SEC. 349. AGREEMENTS WITH OTHER FEDERAL AGENCIES.

Section 221(a) (42 U.S.C. 5021(a)) is amended—

(1) by striking "(a)" and inserting "(a)(1)"; and

(2) by adding at the end the following:

"(2) The Director is encouraged to enter into agreements with—

"(A) the Department of Health and Human Services to—

"(i) involve retired or senior volunteers and foster grandparents in Head Start projects; and

"(ii) promote in-home care in cooperation with the Administration on Aging;

"(B) the Department of Education to promote intergenerational tutoring and mentoring for at-risk children; and

"(C) the Environmental Protection Agency to support conservation efforts."

SEC. 350. PROGRAMS OF NATIONAL SIGNIFICANCE.

Section 225 (42 U.S.C. 5025) is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) The Director is authorized to make grants under parts A, B, and C to support programs that address national problems that are also of local concern. The Director may, in any fiscal year, determine which programs of national significance will receive priority in that year. In determining the priority of programs to address problems of local concern in a particular area, the Director shall solicit and consider the views of representatives of local groups serving the area."

(B) in paragraph (2)(B), by striking "paragraph (10)" and inserting "paragraphs (10) and (12)"; and

(C) in paragraph (2)(C), by striking "and (10)" and inserting "(10), (12), (15), and (16)";

(2) in subsection (b), by adding at the end the following new paragraphs:

"(12) Programs that address environmental needs.

"(13) Programs that reach out to organizations not previously involved in addressing local needs, such as labor unions and profit-making organizations.

"(14) Programs that provide for ethnic outreach.

"(15) Programs that support criminal justice activities.

"(16) Programs that involve older volunteers working with young people in apprenticeship programs.

"(17) Programs that support the integration of individuals with disabilities into the community."; and

(3) in subsection (d), by striking paragraph (1) and inserting the following new paragraph:

"(1) Except as provided in paragraph (2), from the amounts appropriated under subsection (a), (b), (c), or (d) of section 502, for each fiscal year there shall be available to the Director such sums as may be necessary to make grants under subsection (a)."

SEC. 351. ADJUSTMENTS TO FEDERAL FINANCIAL ASSISTANCE.

Section 226 (42 U.S.C. 5026) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking "(A)"; and

(B) by striking subparagraph (B); and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(1)"; and

(ii) by striking "annually" and inserting "once every 2 years"; and

(B) by striking paragraph (2).

SEC. 352. DEMONSTRATION PROGRAMS.

Title II (42 U.S.C. 5000 et seq.) is amended by adding at the end the following new part:

"PART E—DEMONSTRATION PROGRAMS

"SEC. 231. AUTHORITY OF DIRECTOR.

"(a) IN GENERAL.—The Director is authorized to make grants to or enter into contracts with public or nonprofit organizations, including organizations funded under part A, B, or C, for the purposes of demonstrating innovative activities involving older Americans as volunteers. The Director may support under this part both volunteers receiving stipends and volunteers not receiving stipends.

"(b) ACTIVITIES.—An organization that receives a grant or enters into a contract under subsection (a) may use funds made available through the grant or contract for activities such as—

"(1) linking youth groups and older American organizations in volunteer activities;

"(2) involving older volunteers in programs and activities different from programs and activities supported in the community; and

"(3) testing whether older American volunteer programs may contribute to new objectives or certain national priorities.

"SEC. 232. PROHIBITION.

"The Director may not reduce the activities, projects, or volunteers funded under the other parts of this title in order to support projects under this part."

CHAPTER 3—ADMINISTRATION

SEC. 361. PURPOSE OF AGENCY.

Section 401 (42 U.S.C. 5041) is amended—

(1) by inserting after the first sentence the following: "Such Agency shall also promote the coordination of volunteer efforts among Federal, State, and local agencies and organizations, exchange technical assistance in-

formation among such agencies and organizations, and provide technical assistance to other nations concerning domestic volunteer programs within their countries."; and

(2) by striking "Older American Volunteer Programs" each place the term appears and inserting "National Senior Volunteer Corps".

SEC. 362. AUTHORITY OF THE DIRECTOR.

Section 402 (42 U.S.C. 5042) is amended in paragraphs (5) and (6) by inserting "solicit and" before "accept" each place the term appears.

SEC. 363. COMPENSATION FOR VOLUNTEERS.

Section 404 (42 U.S.C. 5044) is amended—

(1) in subsection (c), by inserting "from such volunteers or from beneficiaries" after "compensation";

(2) by striking subsection (f); and

(3) by redesignating subsection (g) as subsection (f).

SEC. 364. REPEAL OF REPORT.

Section 407 (42 U.S.C. 5047) is repealed.

SEC. 365. APPLICATION OF FEDERAL LAW.

Section 415(b)(4)(A) (42 U.S.C. 5055(b)(4)(A)) is amended by striking "a grade GS-7 employee" and inserting "an employee at grade GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 366. EVALUATION OF PROGRAMS.

Section 416 (42 U.S.C. 5056) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "(including the VISTA Literacy Corps which shall be evaluated as a separate program at least once every 3 years)"; and

(B) in the second sentence, by striking "at least once every 3 years" and inserting "periodically";

(2) in subsection (b) to read as follows:

"(b) In carrying out evaluations of programs under this Act, the Director shall create appropriate management information systems that will summarize information on volunteer activities and accomplishments across the programs supported under this Act. The Director shall periodically prepare and submit to the appropriate committees of Congress a report containing such information"; and

(3) by striking subsections (d), (e), (f), and (g).

SEC. 367. NONDISCRIMINATION PROVISIONS.

Section 417 (42 U.S.C. 5057) is amended to read as follows:

"SEC. 417. NONDISCRIMINATION PROVISIONS.

"(a) IN GENERAL.—

"(1) BASIS.—An individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate against a participant in, or member of the staff of, such program on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate on the basis of religion against a participant in such program or a member of the staff of such program who is paid with funds received under this Act.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the employment, with assistance provided under this Act, of any member of the staff, of a program that receives assistance under this Act, who was employed with the organization operating the program on the date the grant under this Act was awarded.

"(d) RULES AND REGULATIONS.—The Director shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 368. ELIMINATION OF SEPARATE REQUIREMENTS FOR SETTING REGULATIONS.

Section 420 (42 U.S.C. 5060) is repealed.

SEC. 369. CLARIFICATION OF ROLE OF INSPECTOR GENERAL.

Section 422 (42 U.S.C. 5062) is amended—

(1) in subsection (a), by inserting "or the Inspector General" after "Director"; and

(2) in subsection (b), by inserting ", the Inspector General," after "Director" each place that such term appears.

SEC. 370. COPYRIGHT PROTECTION.

Title IV (42 U.S.C. 5041 et seq.) is amended by adding at the end the following new section:

"SEC. 425. PROTECTION AGAINST IMPROPER USE.

"Whoever falsely—

"(1) advertises or represents; or

"(2) publishes or displays any sign, symbol, or advertisement, reasonably calculated to convey the impression,

that an entity is affiliated with, funded by, or operating under the authority of ACTION, VISTA, or any of the programs of the National Senior Volunteer Corps may be enjoined under an action filed by the Attorney General, on a complaint by the Director."

SEC. 371. CENTER FOR RESEARCH AND TRAINING.

Title IV (42 U.S.C. 5041 et seq.) (as amended by section 370 of this Act) is further amended by adding at the end the following new section:

"SEC. 426. CENTER FOR RESEARCH AND TRAINING.

"The Director may establish, directly or by grant or contract, a Center for Research and Training on Volunteerism to carry out research concerning the impact of volunteerism on individuals, organizations, and communities, provide training at a State, regional, or local level to help improve programs across the United States, and carry out such other functions as the Director determines to be appropriate."

SEC. 372. DEPOSIT REQUIREMENT CREDIT FOR SERVICE AS A VOLUNTEER.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—Section 8332(j) of title 5, United States Code, is amended—

(A) in paragraph (1)—

(i) in the first sentence, by inserting "the period of an individual's services as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a pro-

gram of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,"; and

(iii) in the last sentence—

(I) by inserting "or under the Domestic Volunteer Service Act of 1973" after "Economic Opportunity Act of 1964"; and

(II) by inserting "or the Director of ACTION, as appropriate," after "Director of the Office of Economic Opportunity"; and

(B) by adding at the end the following new paragraph:

"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."

(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—

(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(1)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.

"(2) Any deposit made under paragraph (1) more than 2 years after the later of—

"(A) the date of enactment of this subsection; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount, computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).

"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".

(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(A) in subsection (b)(3), by striking "subsection (f)" and inserting "subsection (f) or (h)"; and

(B) by adding at the end the following new subsection:

"(h) An employee or Member shall be allowed credit for service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, performed at any time prior to the separation from service on which the entitlement to any annuity under this subchapter is based if the employee or Member has made a deposit with interest, if any, with respect to such service under section 8422(f)."

(2) DEDUCTIONS, CONTRIBUTIONS.—Section 8422 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, or as a full-time volunteer enrolled in a program of at least 1 year in duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, before the date of the separation from service on which the entitlement to any annuity under this subchapter, or subchapter V of this chapter, is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, to the agency by which the employee is employed or, in the case of a Member or a congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 3 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Service Act of 1964 or title I of the Domestic Volunteer Service Act of 1973 for each period of service as such a volunteer or volunteer leader.

"(2) Any deposit made under paragraph (1) more than 2 years after the later of—

"(A) the date of enactment of this subsection, or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e).

"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Director shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(c) APPLICABILITY AND OTHER PROVISIONS.—

(1) APPLICABILITY.—

(A) TIMING.—The amendments made by subsections (a) and (b) shall apply with respect to credit for service as a volunteer or

volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1973 to individuals who are entitled to an annuity on the basis of a separation from service occurring before, on, or after the effective date of this subtitle.

(B) SEPARATION.—In the case of any individual whose entitlement to an annuity is based on a separation from service occurring before the date of enactment of this Act, any increase in such individual's annuity on the basis of a deposit made pursuant to section 8334(l) or section 8442(f) of title 5, United States Code, as amended by this Act, shall be effective only with respect to annuity payments payable for calendar months beginning after the date of enactment of this Act.

(2) ACTION TO INFORM INDIVIDUALS.—The Director of the Office of Personnel Management shall take such action as may be necessary and appropriate to inform individuals entitled to credit under this section for service as a volunteer or volunteer leader, or to have any annuity recomputed, or to make a deposit under this section, of such entitlement.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

SEC. 381. AUTHORIZATION OF APPROPRIATIONS FOR TITLE I.

Section 501 (42 U.S.C. 5081) is amended to read as follows:

"SEC. 501. NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS.

"(a) AUTHORIZATIONS.—

"(1) VOLUNTEERS IN SERVICE TO AMERICA.—There are authorized to be appropriated to carry out part A of title I, excluding sections 104(e) and 109, \$45,800,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(2) SUMMER PROGRAM.—There are authorized to be appropriated to carry out section 104(e), such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(3) LITERACY ACTIVITIES.—There are authorized to be appropriated to carry out section 109, \$5,600,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(4) UNIVERSITY YEAR FOR VISTA.—There are authorized to be appropriated to carry out part B of title I, such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(5) SPECIAL VOLUNTEER PROGRAMS.—There are authorized to be appropriated to carry out part C of title I, excluding section 124, such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(6) LITERACY CHALLENGE GRANTS.—There are authorized to be appropriated to carry out section 124, such sums as may be necessary for each of the fiscal years 1994 through 1998.

"(b) SUBSISTENCE.—The minimum level of an allowance for subsistence required under section 105(b)(2), to be provided to each volunteer under title I, may not be reduced or limited in order to provide for an increase in the number of volunteer service years under part A of title I.

"(c) LIMITATION.—No part of the funds appropriated to carry out part A of title I may be used to provide volunteers or assistance to any program or project authorized under part B or C of title I, or under title II, unless the program or project meets the anti-poverty criteria of part A of title I.

"(d) AVAILABILITY.—Amounts appropriated for part A of title I shall remain available for obligation until the end of the fiscal year following the fiscal year for which the amounts were appropriated.

"(e) VOLUNTEER SERVICE REQUIREMENT.—

"(1) VOLUNTEER SERVICE YEARS.—Of the amounts appropriated under this section for parts A, B, and C of title I, including section 124, there shall first be available for part A of title I, including sections 104(e) and 109, an amount not less than the amount necessary to provide 3,700 volunteer service years in fiscal year 1994, 4,000 volunteer service years in fiscal year 1995, 4,500 volunteer service years in fiscal year 1996, 5,500 volunteer service years in fiscal year 1997, and 7,500 volunteer service years in fiscal year 1998.

"(2) PLAN.—If the Director determines that funds appropriated to carry out part A, B, or C of title I are insufficient to provide for the years of volunteer service required by paragraph (1), the Director shall submit a plan to the relevant authorizing and appropriations committees of Congress that will detail what is necessary to fully meet this requirement."

SEC. 382. AUTHORIZATION OF APPROPRIATIONS FOR TITLE II.

Section 502 (42 U.S.C. 5082) is amended to read as follows:

"SEC. 502. NATIONAL SENIOR VOLUNTEER CORPS.

"(a) RETIRED AND SENIOR VOLUNTEER PROGRAM.—There are authorized to be appropriated to carry out part A of title II, \$37,054,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(b) FOSTER GRANDPARENT PROGRAM.—There are authorized to be appropriated to carry out part B of title II, \$71,284,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(c) SENIOR COMPANION PROGRAM.—There are authorized to be appropriated to carry out part C of title II, \$32,509,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

"(d) DEMONSTRATION PROGRAMS.—There are authorized to be appropriated to carry out part E of title II, such sums as may be necessary for each of the fiscal years 1994 through 1998."

SEC. 383. AUTHORIZATION OF APPROPRIATIONS FOR TITLE IV.

Title V (42 U.S.C. 5081 et seq.) is amended—

(1) by striking section 504;

(2) by inserting the following after section 502:

"SEC. 503. ADMINISTRATION AND COORDINATION.

"(a) IN GENERAL.—For each of the fiscal years 1994 through 1998, there are authorized to be appropriated for the administration of this Act as provided for in title IV, 20 percent of the total amount appropriated under sections 501 and 502 with respect to such year.

"(b) EVALUATION AND CENTER FOR RESEARCH AND TRAINING.—For each of the fiscal years 1994 through 1998, the Director is authorized to expend not less than one-half of 1 percent, and not more than 1 percent, from the amounts appropriated under sections 501 and 502, for the purposes prescribed in sections 416 and 426;"

(3) by redesignating section 505 as section 504.

SEC. 384. CONFORMING AMENDMENTS; COMPENSATION FOR VISTA FECA CLAIMANTS.

Section 8143(b) of title 5, United States Code, is amended by striking "GS-7" and inserting "GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 385. REPEAL OF AUTHORITY.

Title VII (42 U.S.C. 5091 et seq.) is repealed.

CHAPTER 5—GENERAL PROVISIONS

SEC. 391. TECHNICAL AND CONFORMING AMENDMENTS.

The Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) is amended by striking "That this Act" and all that follows through the end of the table of contents and inserting the following:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Domestic Volunteer Service Act of 1973'.

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

"Sec. 1. Short title; table of contents.

"Sec. 2. Volunteerism policy.

"TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

"PART A—VOLUNTEERS IN SERVICE TO AMERICA

"Sec. 101. Statement of purpose.

"Sec. 102. Authority to operate VISTA program.

"Sec. 103. Selection and assignment of volunteers.

"Sec. 104. Terms and periods of service.

"Sec. 105. Support service.

"Sec. 106. Participation of beneficiaries.

"Sec. 107. Participation of younger and older persons.

"Sec. 108. Limitation.

"Sec. 109. VISTA Literacy Corps.

"Sec. 110. Applications for assistance.

"PART B—UNIVERSITY YEAR FOR VISTA

"Sec. 111. Statement of purpose.

"Sec. 112. Authority to operate University Year for VISTA program.

"Sec. 113. Special conditions.

"PART C—SPECIAL VOLUNTEER PROGRAMS

"Sec. 121. Statement of purpose.

"Sec. 122. Authority to establish and operate special volunteer and demonstration programs.

"Sec. 123. Technical and financial assistance.

"Sec. 124. Literacy challenge grants.

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS

"Sec. 200. Statement of purposes.

"PART A—RETIRED AND SENIOR VOLUNTEER PROGRAM

"Sec. 201. Grants and contracts for volunteer service projects.

"PART B—FOSTER GRANDPARENT PROGRAM

"Sec. 211. Grants and contracts for volunteer service projects.

"PART C—SENIOR COMPANION PROGRAM

"Sec. 213. Grants and contracts for volunteer service projects.

"PART D—GENERAL PROVISIONS

"Sec. 221. Promotion of National Senior Volunteer Corps.

"Sec. 222. Payments.

"Sec. 223. Minority group participation.

"Sec. 224. Use of locally generated contributions in National Senior Volunteer Corps.

"Sec. 225. Programs of national significance.

"Sec. 226. Adjustments to Federal financial assistance.

"Sec. 227. Multiyear grants or contracts.

"PART E—DEMONSTRATION PROGRAMS

"Sec. 231. Authority of Director.

"Sec. 232. Prohibition.

"TITLE IV—ADMINISTRATION AND COORDINATION

"Sec. 403. Political activities.

"Sec. 404. Special limitations.

- "Sec. 406. Labor standards.
- "Sec. 408. Joint funding.
- "Sec. 409. Prohibition of Federal control.
- "Sec. 410. Coordination with other programs.
- "Sec. 411. Prohibition.
- "Sec. 412. Notice and hearing procedures for suspension and termination of financial assistance.
- "Sec. 414. Distribution of benefits between rural and urban areas.
- "Sec. 415. Application of Federal law.
- "Sec. 416. Evaluation.
- "Sec. 417. Nondiscrimination provisions.
- "Sec. 418. Eligibility for other benefits.
- "Sec. 419. Legal expenses.
- "Sec. 421. Definitions.
- "Sec. 422. Audit.
- "Sec. 423. Reduction of paperwork.
- "Sec. 424. Review of project renewals.
- "Sec. 425. Protection against improper use.
- "Sec. 426. Center for Research and Training.

"TITLE V—AUTHORIZATION OF APPROPRIATIONS

- "Sec. 501. National volunteer antipoverty programs.
- "Sec. 502. National Senior Volunteer Corps.
- "Sec. 503. Administration and coordination.
- "Sec. 504. Availability of appropriations.

"TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

- "Sec. 601. Supersession of Reorganization Plan No. 1 of July 1, 1971.
- "Sec. 602. Creditable service for civil service retirement.
- "Sec. 603. Repeal of title VIII of the Economic Opportunity Act.
- "Sec. 604. Repeal of title VI of the Older Americans Act."

SEC. 392. EFFECTIVE DATE.

This subtitle, and the amendments made by this subtitle shall take effect on October 1, 1993.

Subtitle C—Youth Conservation Corps Act of 1970

SEC. 399. PUBLIC LANDS CORPS.

(a) IN GENERAL.—Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the "Youth Conservation Corps Act of 1970") is amended—

(1) by inserting before section 1 the following:

"TITLE I—YOUTH CONSERVATION CORPS";

(2) by striking "Act" each place such term appears and inserting "title";

(3) by redesignating sections 1 through 6 as sections 101 through 106, respectively;

(4) in subsection (a) of section 102 (as redesignated by paragraph (3)), by inserting "in this title" after "hereinafter";

(5) in subsection (d) of section 104 (as redesignated by paragraph (3)), by striking "section 6" and inserting "section 106"; and

(6) by adding at the end the following new title:

"TITLE II—PUBLIC LANDS CORPS

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Public Lands Corps Act of 1993'.

"SEC. 202. CONGRESSIONAL FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds the following:

"(1) Conserving or developing natural and cultural resources and enhancing and maintaining environmentally important lands and waters through the use of the Nation's young men and women in a Public Lands Corps can benefit those men and women by providing such men and women with education and work opportunities, furthering

their understanding and appreciation of the natural and cultural resources, and providing a means to pay for higher education or to repay indebtedness such men and women have incurred to obtain higher education while at the same time benefiting the Nation's economy and environment.

"(2) Many facilities and natural resources located on public lands and on Indian lands are in disrepair or degraded and in need of labor intensive rehabilitation, restoration, and enhancement work that cannot be carried out by Federal agencies at existing personnel levels.

"(3) Youth conservation corps have established a good record of restoring and maintaining these kinds of facilities and resources in a cost effective and efficient manner, especially when the corps have worked in partnership arrangements with government land management agencies.

"(b) PURPOSE.—It is the purpose of this title to—

"(1) perform, in a cost-effective manner, appropriate conservation projects on public lands and Indian lands where such projects will not be performed by existing employees;

"(2) assist governments and Indian tribes in performing research and public education tasks associated with natural and cultural resources on public lands and Indian lands;

"(3) expose young men and women to public service while furthering their understanding and appreciation of the Nation's natural and cultural resources;

"(4) expand educational opportunities by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training; and

"(5) stimulate interest among the Nation's young men and women in conservation careers by exposing such men and women to conservation professionals in land managing agencies.

"SEC. 203. DEFINITIONS.

"For purposes of this title:

"(1) APPROPRIATE CONSERVATION PROJECT.—The term 'appropriate conservation project' means any project for the conservation, restoration, construction, or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

"(2) CORPS AND PUBLIC LANDS CORPS.—The terms 'Corps' and 'Public Lands Corps' mean the Public Lands Corps established under section 204.

"(3) INDIAN TRIBE.—The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(4) INDIAN.—The term 'Indian' means a person who is a member of an Indian tribe.

"(5) INDIAN LANDS.—The term 'Indian lands' means—

"(A) any Indian reservation;

"(B) any public domain Indian allotments;

"(C) any former Indian reservation in the State of Oklahoma;

"(D) any land held by incorporated Native groups, regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.); and

"(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and

whether within or without the limits of a State.

"(6) PUBLIC LANDS.—The term 'public lands' means any lands or waters (or interest therein) owned or administered by the United States, except that such term does not include any Indian lands.

"(7) QUALIFIED YOUTH OR CONSERVATION CORPS.—The term 'qualified youth or conservation corps' means any program established by a State or local government, by the governing body of any Indian tribe, or by a nonprofit organization, that—

"(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25, inclusive, in a natural or cultural resource setting;

"(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

"(C) provides participants with the opportunity to develop citizenship values and skills through service to their community and the United States.

"(8) RESOURCE ASSISTANT.—The term 'resource assistant' means a resource assistant selected under section 206.

"(9) STATE.—The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 204. PUBLIC LANDS CORPS PROGRAM.

"(a) ESTABLISHMENT OF PUBLIC LANDS CORPS.—There is hereby established in the Department of the Interior and the Department of Agriculture a Public Lands Corps.

"(b) PARTICIPANTS.—The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretary of the Interior or the Secretary of Agriculture. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 137(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

"(c) QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary of the Interior and the Secretary of Agriculture are authorized to enter into contracts and cooperative agreements with any qualified youth or conservation corps to perform appropriate conservation projects referred to in subsection (d).

"(d) PROJECTS TO BE CARRIED OUT.—The Secretary of the Interior and the Secretary of Agriculture may each utilize the Corps or any qualified youth or conservation corps to carry out appropriate conservation projects that such Secretary is authorized to carry out under other authority of law on public lands. Appropriate conservation projects may also be carried out under this title on Indian lands with the approval of the Indian tribe involved.

"(e) PREFERENCE FOR CERTAIN PROJECTS.—In selecting appropriate conservation projects to be carried out under this title, the Secretary of the Interior and the Secretary of Agriculture shall give preference to those projects that—

"(1) will provide long-term benefits to the public;

"(2) will instill in the enrollee involved a work ethic and a sense of public service;

"(3) will be labor intensive;

"(4) can be planned and initiated promptly; and

"(5) will provide academic, experiential, or environmental education opportunities.

"(f) **CONSISTENCY.**—Each appropriate conservation project carried out under this title on any public lands or Indian lands shall be consistent with the provisions of law and policies relating to the management and administration of such lands, with all other applicable provisions of law, and with all management, operational, and other plans and documents that govern the administration of the area.

"SEC. 205. CONSERVATION CENTERS.

"(a) **ESTABLISHMENT AND USE.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide such quarters, board, medical care, transportation, and other services, facilities, supplies, and equipment as such Secretary determines to be necessary in connection with the Public Lands Corps and appropriate conservation projects carried out under this title and to establish and use conservation centers owned and operated by such Secretary for purposes of the Corps and such projects. The Secretaries shall establish basic standards of health, nutrition, sanitation, and safety for all conservation centers established under this section and shall assure that such standards are enforced. Where necessary or appropriate, the Secretaries may enter into contracts and other appropriate arrangements with State and local government agencies and private organizations for the management of such conservation centers.

"(b) **LOGISTICAL SUPPORT.**—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to have logistical support provided by the Armed Forces to the Corps and any conservation center established under this section, where feasible. Logistical support may include the provision of temporary tent shelters where needed, transportation, and residential supervision.

"(c) **USE OF MILITARY INSTALLATIONS.**—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to identify military installations and other facilities of the Department of Defense and, in consultation with the adjutant generals of the State National Guards, National Guard facilities that may be used, in whole or in part, by the Corps for training or housing Corps participants.

"SEC. 206. RESOURCE ASSISTANTS.

"(a) **AUTHORIZATION.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide individual placements of resource assistants with any Federal land managing agency under the jurisdiction of such Secretary to carry out research or resource protection activities on behalf of the agency. To be eligible for selection as a resource assistant, an individual shall be at least 17 years of age. The Secretaries may select resource assistants without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The Secretaries shall give a preference to the selection of individuals who are enrolled in an institution of higher education or are recent graduates from an institution of high-

er education, as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)) with particular attention given to ensure the full representation of women and participants from historically black, Hispanic, and Native American schools.

"(b) **USE OF EXISTING NONPROFIT ORGANIZATIONS.**—Whenever one or more existing nonprofit organizations can provide, in the judgment of the Secretary of the Interior or the Secretary of Agriculture, appropriate recruitment and placement services to fulfill the requirements of this section, the Secretary may implement this section through such existing organizations. Participating nonprofit organizations shall contribute to the expenses of providing and supporting the resource assistants, through private sources of funding, at a level equal to 25 percent of the total costs of each participant in the Resource Assistant program who has been recruited and placed through that organization. Any such participating nonprofit conservation service organization shall be required, by the respective land managing agency, to submit an annual report evaluating the scope, size, and quality of the program, including the value of work contributed by the Resource Assistants, to the mission of the agency.

"SEC. 207. LIVING ALLOWANCES AND TERMS OF SERVICE.

"(a) **LIVING ALLOWANCES.**—The Secretary of the Interior and the Secretary of Agriculture shall provide each participant in the Public Lands Corps and each resource assistant with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

"(b) **TERMS OF SERVICE.**—Each participant in the Corps and each resource assistant shall agree to participate in the Corps or serve as a resource assistant, as the case may be, for such term of service as may be established by the Secretary enrolling or selecting the individual.

"SEC. 208. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) **EDUCATIONAL BENEFITS AND AWARDS.**—If a participant in the Public Lands Corps or a resource assistant also serves in an approved national service position designated under subtitle C of title I of the National and Community Service Act of 1990, the participant or resource assistant shall be eligible for a national service educational award in the manner prescribed in subtitle D of such title upon successfully complying with the requirements for the award. The period during which the national service educational award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

"(b) **FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.**—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are either participants in the Corps or resource assistants, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant or a resource assistant.

"SEC. 209. NONDISPLACEMENT.

"The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Public Lands Corps, to all activities carried out under this

title by a qualified youth or conservation corps, and to the selection and service of resource assistants.

"SEC. 210. FUNDING.

"(a) **COST SHARING.**—

"(1) **PROJECTS BY QUALIFIED YOUTH OR CONSERVATION CORPS.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to pay not more than 75 percent, and shall collectively pay 75 percent, of the costs of any appropriate conservation project carried out pursuant to this title on public lands by a qualified youth or conservation corps. The remaining 25 percent of the costs of such a project may be provided from non-Federal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing. No cost sharing shall be required in the case of any appropriate conservation project carried out on Indian lands under this title.

"(2) **PUBLIC LANDS CORPS PROJECTS.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Public Lands Corps and carrying out appropriate conservation projects by the Corps. The Department of Agriculture and the Department of the Interior shall comply with the Federal share requirements of section 129(d)(2)(B) of the National and Community Service Act of 1990.

"(b) **FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.**—In order to carry out the Public Lands Corps or to support resource assistants and qualified youth or conservation corps under this title, the Secretary of the Interior and the Secretary of Agriculture shall be eligible to apply for and receive assistance described in section 121(b) of the National and Community Service Act of 1990, from funds available under section 129(d)(2)."

"(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1993.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 401. DEFINITIONS.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(8) the term 'Corporation' means the Corporation for National and Community Service established under section 191 of the National and Community Service Act of 1990;

"(9) the term 'foster grandparent' means a volunteer in the Foster Grandparent Program;

"(10) the term 'Foster Grandparent Program' means the program established under part B of title II;

"(11) except as provided in section 417, the term 'individual with a disability' has the meaning given the term in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8));

"(12) the term 'Inspector General' means the Inspector General of ACTION;

"(13) the term 'national senior volunteer' means a volunteer in the National Senior Volunteer Corps;

"(14) the term 'National Senior Volunteer Corps' means the programs established under parts A, B, C, and E of title II;

"(15) the term 'Retired and Senior Volunteer Program' means the program established under part A of title II;

"(16) the term 'retired or senior volunteer' means a volunteer in the Retired and Senior Volunteer Program;

"(17) the term 'senior companion' means a volunteer in the Senior Companion Program;

"(18) the term 'Senior Companion Program' means the program established under part C of title II;

"(19) the terms 'VISTA' and 'Volunteers in Service to America' mean the program established under part A of title I; and

"(20) the term 'VISTA volunteer' means a volunteer in VISTA."

SEC. 402. REFERENCES TO THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(1) Section 1092(b) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 12653a note) is amended—

(A) in paragraph (1)—

(i) by striking "Commission on National Community Service" and inserting "Corporation for National and Community Service"; and

(ii) by striking "Commission shall prepare" and inserting "Board of Directors of the Corporation shall prepare"; and

(B) in paragraph (2), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Board of Directors of the Corporation for National and Community Service".

(2) Section 1093(a) of such Act (42 U.S.C. 12653a note) is amended by striking "the Board of Directors and Executive Director of the Commission on National and Community Service" and inserting "the Board of Directors and President of the Corporation for National and Community Service".

(3) Section 1094 of such Act (Public Law 102-484; 106 Stat. 2535) is amended—

(A) in the title, by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE";

(B) in subsection (a)—

(i) in the heading, by striking "COMMISSION" and inserting "CORPORATION";

(ii) in the first sentence, by striking "Commission on National and Community Service" and inserting "Corporation for National and Community Service"; and

(iii) in the second sentence, by striking "The Commission" and inserting "The President of the Corporation"; and

(C) in subsection (b)—

(i) in paragraph (1), by striking "Board of Directors of the Commission on National and Community Service" and inserting "President of the Corporation for National and Community Service"; and

(ii) in paragraph (2), by striking "the Commission" and inserting "the President of the Corporation for National and Community Service".

(4) Section 1095 of such Act (Public Law 102-484; 106 Stat. 2535) is amended in the heading for subsection (b) by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE".

(5) Section 2(b) of such Act (Public Law 102-484; 106 Stat. 2315) is amended by striking the item relating to section 1094 of such Act and inserting the following:

"Sec. 1094. Other programs of the Corporation for National and Community Service."

(b) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) Sections 159(b)(2) (as redesignated in section 104(b)(3) of this Act) and 165 (as re-

designated in section 104(b)(3) of this Act), subsections (a) and (b) of section 172, sections 176(a) and 177(c), and subsections (a), (b), and (d) through (h) of section 179, of the National and Community Service Act of 1990 (42 U.S.C. 12653h(b)(2), 12653n, 12632 (a) and (b), 12636(a), 12637(c), and 12639 (a), (b), and (d) through (h)) are each amended by striking the term "Commission" each place the term appears and inserting "Corporation".

(2) Sections 152, 157(b)(2), 162(a)(2)(C), 164, and 166(1) of such Act (in each case, as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653a, 12653f(b)(2), 12653k(a)(2)(C), 12653m, and 12653o(1)) are each amended by striking "Commission on National and Community Service" and inserting "Corporation".

(3) Section 163(b)(9) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12635l(b)(9)) is amended by striking "Chair of the Commission on National and Community Service" and inserting "President".

(4) Section 303(a) of such Act (42 U.S.C. 12662(a)) is amended—

(A) by striking "The President" and inserting "The President of the United States, acting through the Corporation";

(B) by inserting "in furtherance of activities under section 302" after "section 501(b)"; and

(C) by striking "the President" both places it appears and inserting "the Corporation".

SEC. 403. REFERENCES TO DIRECTORS OF THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) PRESIDENT.—

(1) Section 159(a) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended—

(A) by striking "BOARD.—The Board" and inserting "SUPERVISION.—The President";

(B) by striking "the Board" in the matter preceding paragraph (1), and in paragraph (1), and inserting "the President"; and

(C) by striking "the Director" in paragraph (1) and inserting "the Board".

(2) Section 159(b) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended by striking "(b)" and all that follows through "Commission on National and Community Service" and inserting "(b) MONITORING AND COORDINATION.—The President".

(3) Section 159(c)(1) (as redesignated in section 104(b)(3) of this Act) (12653h(c)(1)) is amended—

(A) in subparagraph (A), by striking "the Board, in consultation with the Executive Director," and inserting "the President"; and

(B) in subparagraph (B)(iii), by striking "the Board through the Executive Director" and inserting "the President".

(4) Section 166(6) (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653o(6)) is amended—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) through (11) as paragraphs (6) through (10), respectively.

(b) DIRECTOR OF CIVILIAN COMMUNITY CORPS.—Sections 155(a), 157(b)(1)(A), 158(a), 159(c)(1)(A), and 163(a) (in each case, as redesignated in section 104(b)(3) of this Act) of the National and Community Service Act of 1990 (42 U.S.C. 12653d(a), 12653f(b)(1)(A), 12653g(a), 12653h(c)(1)(A), and 12653l(a)) are amended by striking "Director of the Civilian Community Corps" each place the term appears and inserting "Director".

SEC. 404. DEFINITION OF DIRECTOR.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amend-

ed by striking paragraph (1) and inserting the following new paragraph:

"(1) the term 'Director' means the President of the Corporation for National and Community Service appointed under section 193 of the National and Community Service Act of 1990;"

SEC. 405. REFERENCES TO ACTION AND THE ACTION AGENCY.

(a) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(1) Section 2(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950(b)) is amended—

(A) by striking "ACTION, the Federal domestic volunteer agency," and inserting "this Act"; and

(B) by striking "ACTION shall" and inserting "the Corporation for National and Community Service shall".

(2) Subtitle (b) of section 124 of such Act (as redesignated by section 322(2) of this Act) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(3) Section 225(e) of such Act (42 U.S.C. 5025(e)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(4) Section 403(a) of such Act (42 U.S.C. 5043(a)) is amended—

(A) by striking "the ACTION Agency" the first place such term appears and inserting "the Corporation under this Act"; and

(B) by striking "the ACTION Agency" the second place such term appears and inserting "the Corporation".

(5) Section 408 of such Act (42 U.S.C. 5048) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(6) Section 421(12) of such Act (as added by section 401 of this Act) is further amended by striking "ACTION" and inserting "the Corporation".

(7) Section 425 of such Act (as added by section 370 of this Act) is further amended by striking "ACTION" and inserting "the Corporation".

(b) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332(j)(1) of title 5, United States Code (as amended by section 372(a)(1)(A)(iii)(II) of this Act) is amended by striking "the Director of ACTION" and inserting "the President of the Corporation for National and Community Service".

(c) INSPECTOR GENERAL.—

(1) TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.—Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking "ACTION".

(2) TRANSFER.—Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subparagraph (T), by striking "and" at the end; and

(B) by adding at the end the following:

"(V) of the Corporation for National and Community Service, the Office of Inspector General of ACTION; and".

(d) PUBLIC HOUSING SECURITY.—Section 207(c) of the Public Housing Security Demonstration Act of 1978 (Public Law 95-557; 92 Stat. 2093; 12 U.S.C. 1701z-6 note) is amended—

(1) in paragraph (3)(ii), by striking "ACTION" and inserting "the Corporation for National and Community Service"; and

(2) in paragraph (4), by striking "ACTION" and inserting "the Corporation for National and Community Service".

(e) NATIONAL FOREST VOLUNTEERS.—Section 1 of the Volunteers in the National Forests Act of 1972 (16 U.S.C. 558a) is amended by striking "ACTION" and inserting "the Corporation for National and Community Service".

(f) PEACE CORPS.—Section 2A of the Peace Corps Act (22 U.S.C. 2501-1) is amended by inserting after "the ACTION Agency" the following: ", the successor to the ACTION Agency."

(g) INDIAN ECONOMIC DEVELOPMENT.—Section 502 of the Indian Financing Act of 1974 (25 U.S.C. 1542) is amended by striking "ACTION Agency" and inserting "the Corporation for National and Community Service".

(h) OLDER AMERICANS.—The Older Americans Act of 1965 is amended—

(1) in section 202(c)(1) (42 U.S.C. 3012(c)(1)), by striking "the Director of the ACTION Agency" and inserting "the Corporation for National and Community Service";

(2) in section 203(a)(1) (42 U.S.C. 3013(a)(1)), by striking "the ACTION Agency" and inserting "the Corporation for National and Community Service"; and

(3) in section 422(b)(12)(C) (42 U.S.C. 3035a(b)(12)(C)), by striking "the ACTION Agency" and inserting "the Corporation for National and Community Service".

(i) VISTA SERVICE EXTENSION.—Section 101(c)(1) of the Domestic Volunteer Service Act Amendments of 1989 (Public Law 101-204; 103 Stat. 1810; 42 U.S.C. 4954 note) is amended by striking "Director of the ACTION Agency" and inserting "President of the Corporation for National and Community Service".

(j) AGING RESOURCE SPECIALISTS.—Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended—

(1) in paragraph (1)—

(A) by striking "the ACTION Agency," and inserting "the Corporation for National and Community Service"; and

(B) by striking "the Director of the ACTION Agency" and inserting "the President of the Corporation";

(2) in paragraph 2(A), by striking "ACTION Agency" and inserting "Corporation"; and

(3) in paragraph (3), by striking subparagraph (A) and inserting the following new subparagraph:

"(A) the term 'Corporation' means the Corporation for National and Community Service established by section 191 of the National and Community Service Act of 1990."

(k) PROMOTION OF PHOTOVOLTAIC ENERGY.—Section 11(a) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5590) is amended by striking "the Director of ACTION,"

(l) COORDINATING COUNCIL ON JUVENILE JUSTICE.—Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "the Director of the ACTION Agency" and inserting "the President of the Corporation for National and Community Service".

(m) ENERGY CONSERVATION.—Section 413(b)(1) of the Energy Conservation and Production Act (42 U.S.C. 6863(b)(1)) is amended by striking "the Director of the ACTION Agency,"

(n) INTERAGENCY COUNCIL ON THE HOMELESS.—Section 202(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11312(a)) is amended by striking paragraph (12) and inserting the following new paragraph:

"(12) The President of the Corporation for National and Community Service, or the designee of the President."

(o) ANTI-DRUG ABUSE.—Section 3601 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) the term 'Director' means the President of the Corporation for National and Community Service."

(p) ADMINISTRATION ON CHILDREN, YOUTH, AND FAMILIES.—Section 916(b) of the Claude Pepper Young Americans Act of 1990 (42 U.S.C. 12312(b)) is amended by striking "the Director of the ACTION Agency" and inserting "the President of the Corporation for National and Community Service".

SEC. 406. EFFECTIVE DATE.

(a) COMMISSION.—The amendments made by sections 401 through 402 will take effect on October 1, 1993.

(b) ACTION.—The amendments made by sections 404 and 405 shall take effect on the effective date of section 203(c)(2).

Mr. WOFFORD. Mr. President, I am here today to support the National and Community Service Trust Act of 1993. It is a very special feeling that I have taking the place for a little while of the chairman of the Senate Labor and Human Resources Committee, the senior Senator from Massachusetts, because we are starting through this bill to move forward, once again, on a road that we went down so nobly with Senator KENNEDY's brothers, John and Robert. It has been a bipartisan road beginning with the formation of the Peace Corps through the National and Community Service Act of 1990, signed by President Bush. And that bipartisanship continues today with Senate bill 919.

The ultimate test of this new administration will, of course, be how well will the President and all of us in Congress find the ways and means to rebuild our economy, cut the budget deficit, and turn the right of affordable health care into a reality.

But through this act, we, on both sides of the aisle, have helped craft a measure through which the President and all of us will be reviving President Kennedy's enduring challenge as the proper measure for our success as a people: Not what our country can do for us, but what we can do for our country.

This program of national service will also help very directly to build our economy by helping to build the work force of the future with the qualities they need to be competitive in the world.

It will also be a key to cutting the deficit by showing new ways and means of cost-effective service that meets the needs of our Nation which otherwise might lead us into deeper deficits. Those in national service will play a creative, a very vital role in the delivery of the preventive health services and the health education that will be key to a successful comprehensive health care reform.

Some three decades ago when some of us here were launching the Peace Corps, we looked forward to the day when the idea and the spirit of the Peace Corps would be brought home on a large scale to take on the challenges facing American families and American communities. But I wish to add that this bill in proceeding to fulfill that dream is moving in a different di-

rection, moving in a different way than we might have moved if we had gone forward in the 1960's.

I wish to pay tribute to President Clinton and his team in the White House that has worked with us to craft this legislation, Eli Segal and a remarkable diverse set of colleagues, because they have helped shape an approach that I think is better than that which we might have taken in the 1960's.

President Clinton has come to this course through 6 years of thinking and working on this idea, and I have had some privilege to be part of that process over these last 6 years.

The National and Community Service Trust Act does not look to one federally run program like the Peace Corps or even Franklin Roosevelt's Civilian Conservation Corps, America's first experiment in national service. Some of us in the sixties might have thought that the Peace Corps model could be transplanted back home with a national Peace Corps run from Washington.

This new national service system will not be top-down from Washington but, rather, will be built primarily and largely on models and ideas that have percolated up from the grassroots, urban and rural youth corps as well as service opportunities generated by high schools and colleges, by foundations, by churches and civic associations, and by young people themselves.

This legislation does not create a large new Federal bureaucracy or a new bureaucracy of any kind. It streamlines and consolidates two existing Federal agencies, the Commission on National and Community Service and the ACTION Agency which currently administers both the Older American Volunteer Program and Volunteers in Service to America, VISTA.

The Commission created by the 1990 National Community Service Act and established by President Bush is an agency that is antibureaucratic by design and has been exceptionally successful in promoting and testing K-12 service learning programs and service programs on college campuses, corps programs, full-time corps programs, summertime programs and national service demonstration programs, full-time service corps programs.

The Older Americans programs—Foster Grandparents, Senior Companion, and Retired Senior Volunteers—have been successful in cost effectively challenging senior citizens to help children, other seniors and their communities, and VISTA, which was founded in 1964, has for nearly 30 years provided altogether about 100,000 Americans in full-time service working to assist rural and urban communities. VISTA volunteers have ably served in over 12,000 public agencies and nonprofit organizations which provide services to low-income communities.

So again we are merging two very effective agencies.

The legislation also supports the Points of Light Foundation created by President Bush and the 1990 National Community Service Act and the Civilian Community Corps that Senators BOREN, DOLE, SIMON, WARNER, DOMENICI, and others on both sides of the aisle supported and created last year, starting a new CCC Program on a small scale with defense savings. They will all be part of this new comprehensive program.

Creating a decentralized system of national and community service can be a test of the Federal Government's ability to become a leaner, more efficient, antibureaucratic force for change. If done right—and we must see that it is done right, and we have the chance in crafting this bill in the next days to see that it is right—it can represent a fundamental change in direction from decades of well-meaning but so often ineffective social welfare programs, programs flawed in that they promoted dependency, not responsibility, complacency, not initiative, make-work instead of real work, hard work, and teamwork that so many youth and senior service programs are promoting today. The key to this new approach is to see young people and seniors and help them see themselves not as problems but as resources, not as dangers or concerns but as talent to be tapped and released.

The case for this change of approach, the clue to the success of this approach was put to me in unforgettable terms a few years ago by a young Philadelphia high school dropout who has enlisted in the Philadelphia Youth Service Corps, who would get up every morning with the Service Corps, who would jog around Independence Hall, who did exercises, and went off in teams to Habitat, building homes for the homeless and low-income people, working in service programs, and he was one of their star participants.

I said, "How did you choose this? How did you move from the youth gang" he was running with "into the Philadelphia Youth Service Corps?" And he said "Oh, well, I thought it would be a different gang; I might not die in the end." And I probed and he saw I was serious, and then he said, "Well, let me tell you; all my life good people have been coming into our public housing project to help me. I got tired of people doing good against me. For once someone asked me to do the helping."

Like so many CCC alumni and Peace Corps and Vista volunteers through the years, the young man had learned that personal responsibility and self-esteem cannot simply be taught; they have to be earned. And it is a scandal we know this, we have known this and we have not acted on it; that we have not engaged in large numbers and challenged

in large numbers our young people into the kind of action through national and community service programs that can turn the lives of those young people around and can give the power and creative force of the volunteer spirit to meet some of our communities' major problems.

By itself, Government cannot change values, but it can and should be a partner in efforts to promote an ethic of responsibility for ourselves and our Nation. The reinventing of Government on everyone's lips, rightly so, must be accomplished not by more Government but, rather, by people, by reinvigorating citizenship. We must return to a Government not just of and for the people but, most importantly, a Government by the people, by each of us governing ourselves, by being accountable to each other and working to shape a future with the common good as the prize on which we keep our eyes.

President Clinton's national community service initiative is today before the House and the Senate. Thus far this legislation has moved through both Chambers with strong bipartisan support, as indeed it should and must, most recently passing out of our Senate Labor and Human Resources subcommittee by a vote of 14 to 3.

Building on President Bush's own initiatives in this regard this plan creates a public-private corporation, a partnership known as the Corporation for National and Community Service, that will challenge all Americans to serve according to their means, talents, and stage of life. Through a highly competitive process, the corporation will invest seed capital in programs that engage citizens in successfully meeting community needs. The legislation is premised on the notion that real change will come about when the people who are closest to problems are empowered to change them.

Keeping within the deficit reduction targets that have passed both the Senate and the House, this legislation will enable national service to grow according to the market in the context of other budget priorities. This initiative will expand or shrink according to demand and the extent to which it passes the kind of strict test that taxpayers rightly demand of Government efforts.

It must work, it must be cost effective. I believe that it will be cost effective because the programs already tested under the National Community Service Act of 1990 are most definitely cost effective. And it will be proved by the demand that young people have to join this program, and by the response of communities who see that it helps meet their needs in effective ways.

In Pennsylvania the statewide conservation corps, Pennsylvania Conservation Corps, the type of program the President's initiative seeks to encourage all over the Nation, one of the various types of programs this measure

will promote, returns \$1.81 for every \$1 in terms of cost—returns \$1.81 in terms of the services rendered. That does not even include the savings realized from keeping some of its members from dropping out of school, falling into the welfare system, or going to prison.

National service is a hand up, not a handout. The California Conservation Corps, oldest and largest of State conservation corps, estimates that it returns \$1.77 for every \$1 invested. And in the case of disaster relief, they return \$12.82 for every \$1 invested. The CCC California returns over \$528 million to the State of California in conservation work each year.

In Montgomery County, PA, our RSVP Program, Retired Senior Volunteer Program, headed by Col. Frank Parry, who came to testify before the Children, Youth and Family Subcommittee on May 18, estimates that through its works they save that county over \$1 million per year. Service learning has been meeting needs in communities all over this country by tying community service to academic work and reviving the academic work in this new form of learning by doing.

In Pennsylvania our literacy corps has challenged thousands to serve and continue serving by teaching skills to illiterate adults and tutoring young schoolchildren. These programs help keep kids in school and motivate them to continue with their education.

Listen to a few of the outcomes: At Harrisburg High School attendance rates improved from 30 percent to 75 percent when community service programs were added to the curriculum.

At Overbrook High School in Philadelphia, the 120 most at-risk ninth graders, when placed in the community service assignment for 3 hours per week, improved their attendance from 70 percent to 89 percent and their passing grades proportionately from 70 percent to 85 percent.

At Lincoln High School in Pennsylvania, a low-achieving senior English class which had one student expressing an interest in going to college, placed 18 of 28 in college when they were made tutors of small children 3 days a week.

At Chestnut Ridge High School in rural Bedford County, the postsecondary education rate went from 30 percent of all graduates to 80 percent of all graduates in the 5 years during which community service became almost universal and a major part of that school's activities.

At Keystone Oaks High School in suburban Pittsburgh, the dropout rate which averaged 28 students per year for 10 years has dropped to an average of 6 from 1989 to 1992, as a 120-hour community service requirement has been implemented.

At Reading High School's Project Success Program for at-risk students,

the grade point average of the entire class went from 2.1 to 2.8 when community service was added to that program.

At Steel Valley High School, post-secondary education rates have improved from 65 percent to 85 percent in the 3 years the community service has been made a graduation requirement.

Finally, with VISTA, a May 1993 evaluation shows that VISTA volunteers are increasingly multiplying the resources of their host sponsoring organizations with the average leveraging of cash and in-kind resources of \$33,000 per year. The survey shows that VISTA serves those most in need. Eighty percent are families and individuals at or below poverty and that, thanks to VISTA volunteers, the average local program served is able to serve 148 additional clients and recruit 38 additional volunteers.

So today, I urge Democrats and Republicans, liberals, conservatives, those in the vital center, the House and the Senate, the President and the Congress, to come together to break all the gridlock the country is so tired of, on this issue, to come together on the common ground that national service represents.

We must see young people and senior citizens and help them see themselves truly as resources, and through new public-private partnerships created under this act we must attack the valuelessness, hopelessness, alienation, and lack of meaning confronting so many in our society, most dramatically illustrated by the riots last year in Los Angeles.

We must come to realize and make a reality the principle that civil rights have to be balanced by civic responsibilities. The idea that we must ask and enable the dropout and the college educated, black and white, rich and poor, young and old, to take ownership of this idea, to take ownership and provide stewardship for our country is one that transcends party and ideology.

So today let us move from argument to action on the problems facing our Nation and our families. Let us move in the spirit of that first Peace Corps volunteer, like the Philadelphia Youth Service Corps young man who on the White House lawn in 1961 as he was sent forth to Africa, asked by a newspaper man, "Why did you * * * respond, and so many of your generation in the hundreds of thousands apply to the Peace Corps?" And he said, "No one had ever asked me to do anything patriotic, unselfish, or for the common good before President Kennedy asked."

This bill is our way now of asking again.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota [Mr. DURENBERGER].

Mr. DURENBERGER. Mr. President, I thank you. I thank my colleague

from Kansas for allowing me to speak before she does as the ranking member of our committee, and it would probably be more appropriate for her to follow the chairman. But I express my appreciation to her and I express my appreciation as well to my colleague from Pennsylvania.

Mr. WOFFORD. Mr. President, will the Senator yield for a moment?

Mr. DURENBERGER. Yes.

Mr. WOFFORD. I want to make clear that I am standing in for Senator KENNEDY as floor manager. He is necessarily off the floor in the Judiciary Committee hearing on the nomination to the Supreme Court of Judge Ginsburg and will return as soon as he finishes the round of questions that he is right now asking.

Mr. DURENBERGER. Mr. President, as I indicated I am very pleased to join my distinguished colleagues from Massachusetts and Pennsylvania in offering my strong support for this legislation as we begin the debate, and to thank my colleague from Kansas for the many contributions she has made to the debate so far, and I am sure will continue to make. But particularly, I do want to say a couple of things about the Senator who just spoke and the man for whom he is able to speak now because he is not here, the chairman of the committee.

Between the two of them, they probably put in a total now of 60-plus years of public service, all of which has been in one way or another devoted to developing a sense of leadership in this country and the kind of leadership that empowers and motivates young Americans in particular.

I think all of us know a lot about the contributions of the Kennedys, and many of us know particularly about the contributions made by the senior Senator from Massachusetts, the chairman of this committee. During the course of this debate and during the course of the time we will serve with him, I think a lot of us will learn to appreciate, as I am beginning to.

Appreciate, the value to this body and to Pennsylvania of the junior Senator from Pennsylvania. Let me also say that I appreciate the opportunity of working with Eli Segal, who not only represents the President on this particular issue, but I think has done more than anybody I have ever worked with in any kind of a White House, Republican or Democrat, to help try to craft a piece of legislation that truly represents the ideals of the empowerment and motivation of young Americans.

Let me also say that I am proud to stand here as a Republican with a long and deep interest in youth and community service, and to be an original cosponsor of this important proposal.

If properly implemented, this legislation represents a number of what partisans might call Republican prin-

ciples, including individual responsibility, good citizenship, and building a strong sense of community.

I also appreciate the numerous changes that have been made in this proposal—changes designed to make the legislation more fiscally responsible—I must say that in 1990 when I was the chief Republican cosponsor of the national commission bill, this was the largest part of the debate, and how we make sure this bill is bipartisan and fiscally responsible—more deferential to the diversity and experience represented in our States—it is more so now than when it began—and less likely to grow faster than either its outcomes or our Nation's competing fiscal demands would justify. I am sure there will be amendments to help us do that.

My strong interest in this legislation and what it will accomplish, or help us to accomplish as a people, dates to my own days as an active community volunteer—to my services as a board member of VOLUNTEER, which is now the National Center for Voluntary Action, where I served 20 years; and my work in the 1970's on the National Study Commission on Volunteering in America.

In 1990, I was the lead Republican cosponsor on the National and Community Service act, legislation which is reauthorized in this bill before us today. Along with Senator WOFFORD, earlier this year we introduced the Service Learning Act of 1993. The Wofford-Durenberger legislation uses existing Federal education programs, and new teacher training program, to strengthen the Federal Government's commitment to integrating community service opportunities into the elementary and secondary school curriculum.

All of these initiatives also draw on the strong leadership that has been given youth and community service in Minnesota, Massachusetts, Pennsylvania, and many other States.

My State of Minnesota is especially well known for its links between youth service and education. I am proud that the very first national clearinghouse—authorized under a section I included in the 1990 legislation—will be headquartered in Minnesota at the National Youth Council, an impressive national organization, with its roots deep in Minnesota.

Despite the improvements that have been made, we do not yet have consensus on this legislation. It is my understanding that additional amendments may be offered on the floor, and I intend to offer some myself. Some of these amendments address concerns that I and other supporters of the bill have previously expressed, and I hope that, wherever possible, they can be accepted.

But because of my strong support for community service and for service learning, I intend to oppose substitute

or crippling amendments to the legislation. I look forward to joining a strong bipartisan majority in approving its eventual passage into law.

I make this commitment because I believe the President is right when he calls on all of us to tap the creative energies of a generation that has more to offer this Nation than it has ever been asked to give.

I make this commitment because I strongly support the role this legislation gives States and local communities in deciding priorities and in defining community needs.

I make this commitment because I strongly support the links in this legislation between community service and education reform, which we desperately need.

I make this commitment because I believe in community and, as I believe I told the chairman of the committee on a couple of occasions, this needs to be the national and community service act, because at a time when it is difficult at best to define what the nation is, the one thing we know we are losing as a people is our sense of community—whether it is in family, the workplace, neighborhoods, or wherever, this is something that, over the 30 years since John Kennedy served as President, we have been in the process of losing touch with. I think this is the commitment I make here, to help restore that sense of community, particularly for the next generation.

I strongly believe the right mix of service and learning can reach out to a large segment of American young people—young people who are out of school, out of work, and headed for trouble, if we do not offer them an opportunity to define a more positive sense of who they are as Americans; young Americans who are headed for trouble if we do not offer a more positive way to relate to neighbors and to their home communities; young Americans who will find in service to others, to communities of men and women, their fellow Americans, opportunities for learning leadership that they cannot find anywhere else.

Mr. President, my support for a fiscally responsible expansion of national and community service is reflected in a suggestion I made last week, as we define the Federal Government's role in responding to the terrible tragedy that we have all been watching in the Midwest, beginning in my State of Minnesota.

I suggested that we devote even a small portion of the funds we appropriate for restoring these communities to conservation corps and other community service programs all up and down the Mississippi River Valley. Why not demonstrate in a highly visible way the contributions that young people can be making to their communities—if we are only willing to ask

them to do it. Why not also offer these young people the structure, the discipline, and the links to education that groups like the Minnesota Conservation Corps have been promoting for years.

I am pleased with President Clinton's positive response to that suggestion, Mr. President. I believe we should be supportive here in the Congress, as well.

Having said why I believe it is so important to adopt this bill, let me take a few moments to point out two things I think we should not expect of the legislation before us.

Some of the limits of this legislation are defined by policy considerations. Some are defined by competing priorities, and still others are defined by the hard fiscal realities we face in this Chamber every day.

For all of these reasons, Mr. President, national service must not be considered a way to assure large numbers of young Americans financial access to higher education. I will repeat that. National service must not be considered a way to assure large numbers of young Americans financial access to higher education.

At an average of \$20,000 per stipended service position, we will never be able to meet the growing concerns Americans have about the cost of going to college. There are better and more cost-effective ways of doing that—by maintaining a strong commitment to the Pell Grant Program, and by implementing the fundamental changes in student loan programs that the President has proposed, changes that I and many others strongly support.

Because we must respect fiscal realities, I am pleased that the level of funding for this program is now set for just the first year. Each year after that, national community service must compete with other programs through the appropriations process.

So this is not a multibillion-dollar, multiyear commitment we are now being asked to make, as some will reflect it. It need not represent a threat to the Pell Grant Program that is now so seriously underfunded.

Second, it is also important to point out, Mr. President, that the bill must not be a forerunner, a universal mandatory national service requirement for all young Americans.

That is one of the reasons I suggested adding the word "community" to the title of this legislation, so that we consistently refer to national and community service.

Today's greater emphasis on links between service and the community reflects changes in attitudes from earlier national service initiatives in the 1930's and the 1960's.

Particularly in the 1960's, there was a much greater emphasis—through the Peace Corps and VISTA—on offering ways for younger Americans to serve

their country as an alternative or supplement to military service.

There was also a greater sense that national efforts were needed to solve State and local problems—particularly in the cities, on Indian Reservations, and in poorer rural areas like Appalachia. And—in the 1960's—that is where many of the VISTA volunteers were sent.

In the 1990's, however, there is a much greater emphasis on community, as I said earlier, as family, as neighborhood, as something you can put your hands around every single day, both as a focal point for addressing human needs and as a resource to be drawn upon by all Americans.

And there is a growing sense that young people have much to offer their local communities and much to gain from a greater sense of positive identity with those around them.

This increased emphasis on bottom up empowering of young people in service is real.

In the 1960's, there was a tendency to send young volunteers into an impoverished urban or rural community to help others.

But in the 1990's, we are much more likely to try to empower young people from those communities to help themselves and their neighbors.

Mr. President, I hope this discussion about what the bill is—and what it is not—helps offer some context for the debate that is now about to begin.

Important issues will be raised during this debate that need to be addressed. Some amendments may be needed to make sure that they are addressed.

But, when we are all done, I am confident that we will adopt legislation that will proclaim a new era in which young people and their communities will be joined—a new era in which talented and highly motivated young Americans will help shape a more positive future for themselves, families, and communities.

I am proud to be an original cosponsor of this legislation, Mr. President, and believe it deserves strong bipartisan support.

I thank you, Mr. President, and I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. WOFFORD. Mr. President, may I pay tribute to the senior Senator from Minnesota for the instrumental and creative role he played shaping this bill, and the strong support he has given to it.

We had a competition between Pennsylvania and Minnesota, and in true spirit of the competitive approach as to which State has moved faster and better in both service learning and service corps, I could not be true to the State to which I am married without saying Minnesota has done very well in that competition, and part of the good that

I expect to come from this act is that there will be a competition among States and among communities, among colleges and private sector organizations, to see which one can organize the best service programs that are most effective.

I see two colleagues here that have long been deeply interested in this idea, including our Peace Corps volunteer colleague from Connecticut.

Mr. DODD. Mr. President, I ask that I be yielded such time as I may consume.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. DODD] is recognized.

Mr. DODD. Mr. President, let me begin by commending my colleague from Minnesota for his eloquent statement on this bill.

Our colleagues, from Minnesota and Pennsylvania have begun this debate most appropriately by articulately discussing the spirit behind this legislation. We are going to debate and discuss the details, as we should because the Devil is always in the details. But, today as we begin this debate, we must try to capture the essence. We all get asked, what is the essence of this legislation?

Our colleague from Minnesota in his brief remarks captured that essence, and I commend his comments to others. I would also recommend the comments of my colleague from Pennsylvania who has spent a good part of his lifetime, as has our colleague from Minnesota, in the vineyard of service, if you will, working on these ideas. As my colleagues know, however, people who articulate visions and views ultimately have to bring it down to some practical applications and explore where good intentions fail and what many thought may be a bad idea works.

My colleague from Pennsylvania was gracious enough to mention my service in the Peace Corps back in the 1960's when I spent a little more than 2 years in the mountains of the Dominican Republic as a Peace Corps volunteer. I have not gone back and reviewed the debate on the Peace Corps but I am sure it was this way then. I suspect during that debate people raised very legitimate questions about how the Peace Corps was going to work.

First of all, it is a presumptuous idea to begin with. The idea that we could take generalists with bachelor of arts degrees, in things like English literature—in the case of this particular person—and send them off to an underdeveloped, Third World country to eradicate ignorance, poverty, and disease and solve all the problems known to mankind, is pretty silly.

In fact, we did not eradicate ignorance, poverty, and disease. We tried, but could not do everything we thought we could do. But the essence of the program was captured in our efforts.

Today the Peace Corps lives in the minds not only of people in this country but in villages and homes all over the globe, because the concept of people volunteering, working with other people to try and improve the quality of their lives has never been lost in that program. Today the popularity, if I can use that word, of the Peace Corps is in many ways attributable to the fact that it has achieved its essence more in the broader sense than in the detail. We did not do all the things we thought we were going to do, but the essence, the very essence of younger people and older people, stepping forward and saying I would like to roll up my sleeves and try to make a difference even in one individual's life, has proved to be worthwhile more than 30 years after the initiation of this program.

Today we are engaged in yet another debate, three decades later to try to fashion an efficient program that will invite thousands of Americans to step forward to help others, not by sending them to some far-off country with an unfamiliar language, culture, customs, music, and literature, but rather we are going to ask people from their communities to go right back into their community, in a sense, where they live, and to try and make a difference.

I would hope in this debate, as we go forward and consider this legislation, that we will not lose sight of the essence, the central ingredient here, and that is to offer a generation of Americans that same sense of excitement at the prospect of service that I felt as a young Peace Corps volunteer.

I wish I were articulate enough to try and convey to my colleagues here this afternoon the sense of excitement I felt about stepping forward as a young person to volunteer.

I have been asked a thousand times, because I am a Senator, a public person, and because people know I served in the Peace Corps, Why did you do it?

I still have not come up with a good answer for that question. It does not seem like a complicated one. I wish I could remember the very day in which the idea struck me because that might provide an answer but I cannot.

All I know is that somewhere someone said, would you be willing to step forward and serve? At age 21 or 22, I did not exactly know what I was going to do with the rest of my life, but the idea of service, of volunteering, was so exciting to me that I could not wait to finish college, get my degree, get on that train in Union Station, right here in Washington, in the summer of 1966, to go to Philadelphia where I spent a week in an orientation program and then to a training camp in Puerto Rico where I went through intensive language training and finally to arrive in my village in the Dominican Republic and begin serving.

Today, with the exception of my family, no other experience, and I include

my service in the House of Representatives and my 12 years of service in this body of which I am deeply proud, has meant as much to me as those 2 years as a Peace Corps volunteer. It changed my life.

I grew up with affluence in a nice suburban community. I wanted for nothing. We were not affluent in the sense of being terribly rich, but we did not suffer at all. There was always food on the table, always a good education, all the things anyone dreams of, all of those wonderful things. This experience in the Peace Corps changed my life.

What we are saying, those of us who are the authors, if you will, of this legislation, is that we would like to offer this generation of Americans that same sense of excitement, that I cannot put adequately into words, that same sense that there is a wonderful opportunity waiting for them out there that can change their lives, not to mention what it may do to the lives of others.

So the details, the specifics, the funding aspects, the policy questions, we have to work that out. I think we have got a good product here in S. 919. Our colleagues may have new ideas. They can offer them. We ought to welcome that debate, welcome those constructive contributions. But at the end of the day what we have to walk away from here with is a basic, fundamental concept preserving the essence of this legislation that will, I believe, generate the same sense of excitement for a new generation of Americans that thousands of us have felt who served as Peace Corps volunteers or VISTA volunteers, or in other programs.

Clearly, the needs are great. We do not need to debate that point. I do not care where you live in this country. I think no better example can be cited than what is occurring, as we stand here today, in the Midwest. I am not from the Midwest, obviously. I am from New England. We have had our natural disasters. Every part of the country has. But they seem to bring out the best in us. As I watched TV last week, I was impressed with the sight of all of these people, kids, young people, older people, filling sandbags, waist-deep in water, helping out others.

The other day, I spent a good part of the morning in a shopping plaza outside of Hartford where truckload after truckload was filled with supplies, food and nonperishable items. People showed up with boxes of things to help out families in the Midwest.

My State gave \$25 million to the victims of Hurricane Andrew and more in time and volunteer services. People want to help. They could not come out quickly enough. One woman I met, well into her seventies—she had lost her job, working in her midseventies—she said, "I would just as soon be down

here helping." She spent 3 days volunteering. She said, "I feel wonderful about what I am doing."

It is clear people want to help. They want to step forward. We provide with this legislation, a structure here for people to achieve that and more.

Again, I want to emphasize something the Senator from Minnesota said that I think is so important. There are a number of words in the title of this bill—"national," "community," "service," and "trust." The word that I would like to emphasize is "community". Community—not just because we are talking about people having a sense of community and working with others in the community, but because these programs and ideas must be focused at the local level. This is not some Washington program where we are going to proscribe something for Vermont, Kansas, Pennsylvania, or Connecticut, but rather people in our States, each of these States, will generate their own ideas to do things for each other at the local community-based level.

That is where the essence and the difference of this is—different from VISTA, different from the Peace Corps—that it comes from the community, people giving to the community.

So I wanted to take the opportunity this afternoon, as we begin this debate, to sort of remind myself and my colleagues what this is really all about. Through this legislation, we can invite some 25,000 people, in the first year or so, to get involved in the fabric of this country, to weave it back together again where it is a bit tattered. And, hopefully, if it works right, we will add to that number in the years to come and perhaps expand that universe three, four, fivefold, if we get it to work right and if it is efficient.

I know my colleague from Kansas has some very legitimate concerns about whether or not we are going to have a bunch of different organizations and programs operating out of the new Corporation and other Federal agencies. I share that concern. The question is, How do we bring them closer together in a way that makes sense?

I hope at some point we might adopt some language that will state that as our goal. I am a little uneasy about doing it immediately with this legislation, because I believe we should let the Corporation get off its feet and then look at these other programs.

But on the basic concept of whether or not we ought to have one fundamental organization deal with service, there is no debate from this Senator whatsoever.

And also I want to state how important I think it is that this effort continue to be bipartisan. I think it is so worthwhile to note to our colleagues, who may not know of the committee's action, that this bill came out of our committee on a vote of 14 to 3, dem-

onstrating strong bipartisan support. This support is so important on a bill like this.

Service has been an issue characterized by bipartisanship. The distinguished senior Senator from Kansas [Mr. DOLE], a few years ago, if I am not incorrect, offered a similar piece of legislation on voluntarism. And I think that had broad bipartisan support. And here we are again, trying it once more.

President Clinton made service a critical element of his campaign. He talked about it all across this country. Almost at every stop that I heard him speak, invariably, he found his way around to talking about community service, volunteering and reigniting those fires that have contributed so much to the well-being of this country. And certainly he is to be commended for focusing on this issue, which says so much about the spirit of America, and for his effort on this legislation.

I want to join in the comments thanking Eli Segal, Rick Allen, Jack Lew, and others at the White House, who have been working almost from day one to bring this initiative together. I am hopeful that, in a few short weeks, we can announce that we have completed this effort.

If I could wish for nothing more for the next generation, it would be that sense I had, that sense of excitement I was about to engage in a wonderful adventure that would make a difference in my life and, I would like to believe, in the lives of those that I worked with.

If I could give a gift to a young person in this generation, I do not think I could give a better gift than the gift of voluntarism. It will do so much for their lives.

Obviously, education is critically important to many other aspects of life. But I cannot think of a better gift than the gift of service, because it will change their lives. It will change their relationship with friends and family and community all for the better.

So I urge my colleagues to look at the legislation, to look at the details of it—those are important—listen to these debates, and hopefully bring some constructive ideas.

But let this not be an example where gridlock takes hold. Let this be an example where this body can demonstrate how it can work together to achieve the best results in the interests of our country and this next generation.

Mr. President, I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas [Mrs. KASSEBAUM].

Mrs. KASSEBAUM. Mr. President, I think it is very fitting that the first person to speak today was the Senator from Pennsylvania [Mr. WOFFORD], who

has really spent much of his life working on service programs and who has a true dedication to that effort.

I think it was also fitting that he was followed by the Senator from Minnesota [Mr. DURENBERGER] who has shared in many ways that same commitment; and certainly the Senator from Connecticut [Mr. DODD] whose enthusiasms for and work in the Peace Corps has been something that has meant a great deal to him. He has become a real spokesman for service.

My guess is that many of us here in the Senate have been involved in one way or another with programs of service in our communities.

I think volunteerism and service to the community are traits of the American people that have been with us since the earliest days of our Nation, and will continue to be.

Members have spoken a couple of times here about the floods and the tragedies that have befallen cities in a number of States.

I think it is important to emphasize Mr. President, that people have responded to these tragedies not because they are being paid to help, but because they genuinely want to be of help.

In Fairfax, VA, a number of churches have gotten together, planning to send people to help, as well as sending money. Communities that have been so beleaguered, like Des Moines, IA, have received the assistance of many who have responded to help neighbors. They have responded because, like all of us, they do care about what happens to their communities.

I remember being a student at the University of Kansas in 1951, when a devastating flood hit Topeka, KS. and Topekan rallied to help those who had to move into temporary shelters at the municipal auditorium.

These are needs to which we have traditionally responded, and we will continue to do so.

I think that President Clinton's call for a new national service program really strikes a responsive chord. The Concept outlined by President Clinton of offering service in exchange for assistance in attending school is one which holds great attraction for many Americans.

But, Mr. President, I would just like to suggest that the 300-plus page bill which has emerged to carry out the proposal bears relatively little resemblance to the picture of national service that has been painted by many and that has been portrayed by the press and understood by the public.

Beyond its general subject matter, national service, I doubt that many realize exactly what is in this 300-page bill. I would like to speak a moment about some of the things that are in this bill that do concern me.

The broad outline which most people seem to have about the bill is that it

will allow students to work off education debt by performing national service. Obviously, however, there is no room in the Federal budget to accommodate the tens of billions of dollars in new spending that would be required to allow all students to do so.

I would also guess that most Americans assume this bill is about voluntarism—in other words, that no one is paid to participate in these programs. That is not the case.

Again, I think we have to have a clear understanding of what, exactly, is in this bill as we debate the pros and cons.

The National and Community Trust Fund Act of 1993, S. 919, offers the opportunity to pay off debt through service, of course, only to a small fraction of the Nation's postsecondary students—25,000 in the first year, peaking perhaps at 125,000 in the fourth year. I think it is wise to start small. But even at that, the education benefit represents about a third of the estimated \$7.4 billion 4-year cost of the bill.

The Senator from Minnesota [Mr. DURENBERGER] spoke of 1-year funding. Yes, authorized funding levels are specified only for the first year, but "such sums as may be necessary" are authorized in the outyears. Saying we are dealing with only 1-year's funding is a little like thinking the stork has brought the baby. I think we have to be very realistic about what the ultimate costs are going to be as this program grows.

Moreover, there is a wide range of other activities included in the bill, affecting everyone, from kindergartners to senior citizens. Thus, this bill is not, in fact, an education bill, although that is what most of the public believes it to be. It is also important to understand it is not a voluntarism bill, as I mentioned earlier. Even individuals who will receive education benefits will also receive a salary, health benefits, and child care during the service period. Many participants will, in fact, fare far better than individuals who are working minimum-wage jobs, most of whom cannot count on benefits as generous as those offered in this program.

Part-time opportunities are a part of the bill, but the full-time service provisions are not volunteer programs in the sense that most people understand that term.

The fact that S. 919 does not live up to its billing is not, however, my primary problem with the legislation. My concerns about President Clinton's national service proposal can be summarized, I think, succinctly, by saying it is too costly, it is too bureaucratic, and it is too prescriptive. In terms of cost, the initial estimates indicate that national service spending will amount to \$7.4 billion over 4 years. As I mentioned earlier, it is unrealistic not to take outyear spending into account.

It is important to point out that these funds are in addition to the

President's fiscal year 1994 budget request of \$51 million for Volunteers In Service To America [VISTA]; \$77.5 million for the Commission on National and Community Service; \$30 million for the Civilian Community Corps; as well as funding for many other national service-type programs that are supported by the Federal Government.

This is not only a large amount in and of itself, but it also represents an unwise rate of expansion in our national service efforts. For example, the bill proposes to double expenditures for service learning and higher education innovation programs in just 1 year, from \$22.5 million to \$45 million. I am not arguing that these are not good programs. I have visited service learning programs that I think are just excellent. But, again, I think we have to be mindful of whether these programs can absorb such a rapid increase in funding and whether these funds can really be spent in a constructive way.

The bill will also more than double the size of the VISTA Program by fiscal 1998.

With respect to administrative costs, it provides "such sums" for the corporation and State commissions—with no restrictions concerning the ratio of administrative costs to program costs. Additional administrative expenses equal to 20 percent of the combined costs of the VISTA Program and the national service volunteer programs are provided for ACTION Programs. I hope that is one thing we can address, because I would assume there is strong support for assuring that funds are used for programs rather than for administrative costs.

The bill also specifies limits on the level of pay for employees of the Corporation. The Congressional Budget Office estimates an average salary of \$120,000 for senior management staff and \$50,000 for the remaining employees.

In terms of bureaucracy, on first glance it appears that the administration's proposal builds upon the existing foundations of the ACTION Agency and the Commission on National Service. Upon closer examination, however, one finds the proposal actually creates a new superstructure, the Corporation for National Service, under which these existing entities will operate. State ACTION offices will continue to operate side-by-side with State Commissions on National Service. It designates three separate State entities which are authorized to receive funds from the corporation—State Commissions for National Service Programs, State Education Agencies for Service Learning Programs, and State ACTION offices for VISTA and senior volunteer programs—without requiring administrative collaboration or joint planning among those entities.

I think it is obvious this structure is one that adds to bureaucracy, rather

than trying to streamline and coordinate service programs in order to improve their effectiveness.

It requires that educational service awards be channeled through the U.S. Treasury and the National Service Corporation, which will necessitate the development of an extensive tracking system for all national service participants for up to 9 years after they begin working in a national service program.

I think these examples give some small idea of the prescriptiveness of this legislation. The cumbersome nature of the framework created by this legislation could grow and grow.

Having pointed out what I believe are serious deficiencies in S. 919, I do want to acknowledge that many improvements have been made in the original version of the legislation.

I am very appreciative of the efforts of Eli Segal, who, at the request of President Clinton, has been assigned the responsibility for working with the national service legislation. He has done, I think, an extraordinary job—combining his enthusiasm for the effort with his willingness to listen to the rest of us. He and his staff have given serious consideration to concerns which I and others have raised with him. I am very appreciative of some changes that have been made. For example, the bill no longer contains provisions permitting AFDC recipients participating in national to maintain all low-income assistance benefits as well as receiving a national service stipend, child care, and educational benefits. In some States this would have amounted to a package of more than \$30,000 a year.

Having taken that provision out of the bill will mean that AFDC recipients now will just have to decide whether to continue receiving their current benefits or whether to participate in material service and receive the benefits available to participant in that program.

The original bill was also modified to provide for job descriptions and minimum qualifications which must be met by participants. Previously the bill was silent on these points. The legislation has been revised as well to assure that matching fund requirements may not be met by using other national service dollars from the Federal Government.

(Ms. MIKULSKI assumed the chair.)
Mrs. KASSEBAUM. Madam President, although these and other improvements have moved the bill in the right direction, they do not represent the fundamental changes that I believe are necessary to reinvent Government.

Senator WOFFORD used that expression, indicating that this legislation springs out of a desire to reinvent Government. I suggest that we are missing a real opportunity to reinvent Government with an institutional structure that really can be a better method of service delivery.

I believe there is an opportunity to develop a more rational and streamlined approach which avoids the problems that I have identified with S. 919. The substitute amendment that I will be offering is intended to meet the following objectives:

One, true integration of Federal national service efforts in a single, consolidated program.

Two, maximum State flexibility to determine needs and priorities.

Three, recognition of legitimate fiscal constraints and the need for a rate of expansion which is reasonable.

Four, experimentation with post-service benefit concepts prior to undertaking a full-scale commitment to a \$5,000 educational benefit.

It just seems to me that S. 919 is an initiative with enormous potential to grow out of hand, spawning new bureaucracies, new regulations, and make-work positions.

Madam President, I think it would be a mistake to approve this bill in its present form. The alternative I will propose attempts to design a Federal role in national service which will pull things together in a rational, efficient, administrative structure and implement initiatives at a measured pace. I will be discussing my substitute proposal at greater length later in this debate. I hope that there will be those on both sides of the aisle who will work together to come up with an initiative that will serve us better in this arena.

I do not doubt but that all 100 Senators care a great deal about the ability to utilize national and community service in the most effective way. Service, as Senator DODD has pointed out, really means far more to the giver than it does to those who would be served. But our effort will fail, I suggest, Madam President, if it becomes so large that it really becomes unmanageable and we are not able to give it the attention required. A smaller initiative can be followed more closely and managed more effectively.

I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Madam President, I am extremely pleased that today we are to begin consideration of S. 919, the National and Community Service Trust Act of 1993. As one who has been a long-time advocate of national service, I am pleased, indeed, to finally see legislation authorizing a complete, large-scale program of national service that includes an education component being considered in this Chamber. After many years of discussion, there is now a great deal of national attention devoted to the concept of community service with an education reward. I would like to thank President Clinton for his role in bringing this issue to the forefront. I believe that the President should be given immense credit for his

efforts to rally Americans behind his plan for national service.

National service is not a new idea, however. My own legislative involvement in this issue dates back more than 20 years, when Senator Javits and I introduced a bill to provide Federal funding assistance for local community partnership programs.

Even closer in nature to the bill currently under consideration was a bill I introduced more recently, the Voluntary National Service and Education Demonstration Act. This was a modification of a similar piece of legislation I had introduced in 1987 which was developed as a result of meetings I had with Frank Newman, Susan Stroud, and the late Howard Swearer—all Rhode Islanders who played a very important role in this area. At that time, I was of the mind that the United States ought to have a system of mandatory national service, either military or civilian, that would apply to men and women alike. This is still my own personal belief. Then, as now, however, I knew that while public opinion may have been moving in that direction, we still had a long way to go. Therefore, I decided to push for a demonstration program of voluntary national service to allow us to test the concept before proceeding with a full program.

At that time there were a number of reasons for delay. First, it was unclear how much interest there was in community service. We knew only that service programs existed on college campuses, but we did not have any information on the depth of interest among students.

Second, we did not know the kind of students who would be interested in community service. We needed more data on the socioeconomic background of those who participate.

Third, it was not known just how expensive a comprehensive program might be. Some estimates placed the total cost at as much as \$50 billion a year.

Clearly, in 1989 we were not yet ready to move forward with a broad approach to national service. Therefore, I suggested a demonstration program, an important component of which involved a commitment to what I have always considered a crucial concept. That concept had at its heart the idea that successful completion of community service should involve an educational benefit. And I felt then, as I do now, that the educational benefit should supplement, and never replace, our existing Federal student aid programs.

This significant piece of legislation was eventually melded into the National and Community Service Act of 1990, which became law in November of that year.

Under that law, the Commission on National and Community Service is authorized to make grants to States to

implement programs of full- and part-time national and community service. No more than 10 States were allowed to participate in the first year of the program, thereby preserving the demonstration approach. Other provisions also make this act the perfect test model of national service on a much larger scale. Individuals performing full-time service may serve for either 1 or 2 years, and those choosing to serve part-time must remain in the program for at least 3 years. All participants must be 17 years of age or older, and to serve full time must have a high school diploma or the equivalent. The post-service benefits under the National and Community Service Act of 1990 were \$5,000 per year of full-time service and \$2,000 per year of part-time service.

The Commission made their first awards to seven States and one Indian tribe in 1992. Among the more well-known projects that were funded is the Delta Service Corps, which engages participants in providing critically needed services in Arkansas, Louisiana, and Mississippi. Another is City Year, an extraordinarily diverse urban youth corps in Boston. These programs and others have proven to be highly successful and it is now time to implement a larger, more thorough program of national service.

Today, as we begin debate on S. 919 I would like to express my great hope and enthusiasm for this proposal. As the President has said, this program will foster individual responsibility and help to rebuild the American community by bringing together a diverse group of citizens to address common problems and unmet needs.

Of equal importance, by tying successful completion of service to an educational benefit it will open the doors to higher education for many Americans who previously believed that college was out of reach. It will help defray the escalating costs of college education either through an educational benefit before one enters college or as loan forgiveness for those who choose service after education. It is a concept I am hopeful will grow to the point where it will be available to all Americans.

I am especially encouraged that the President envisions the educational benefit as a supplement to the Pell Grant Program. It would be unwise to attempt to replace the grant program with a service-oriented approach. National service is voluntary. It should remain an option for needy students and not a prerequisite for financial aid. It would be unfortunate, indeed, to replace programs that today serve over 6 million students with one that would require a special obligation of service by the poor simply because they are poor. This is particularly important to these lower income students, for whom the combination of the Pell grant and national service education benefit will

mean the ability to pay for a college education with perhaps greater choice in the college they wish to attend. As one who has worked long and hard on behalf of equal educational opportunity, I will make every effort to insure that whatever action we consider will strengthen and not diminish our Federal student aid programs.

Madam President, I view the National and Community Service Trust Act of 1993 as the culmination of much thoughtful debate and the best refinement to date of the ideal of national service. I strongly support this legislation and am hopeful we will be able to act on it favorably and with dispatch.

It is truly a concept and idea whose time has come. We may have plodded along in getting here, but we are now on the threshold of a truly remarkable piece of legislation.

I yield the floor.

Mr. JEFFORDS. Madam President, I rise in support of the National and Community Service Trust Act of 1993. My support for this bill stems from a long held belief that national and community service can assist us in addressing innumerable unmet social and educational needs.

It is refreshing that national service has hit the charts and is being considered a priority of this administration. Community service, clearly not a new concept, has frequently not received the leadership it has deserved. President Bush, to his credit, gave great attention to this area, and I am glad that the current administration is eager to build upon his work.

We have the opportunity today to create a program that will put its mark on history. When the national service program is fully implemented and available to all Americans, it will provide not only an opportunity for young people to serve their country and community but, more importantly, a program which will give back what we have put into it.

President Kennedy in his famous challenge to this Nation called on young people to "Ask not what your country can do for you, but what you can do for your country." These timeless words inspired a generation of young people and they must be renewed again today.

But what we are creating here today is a limited program to provide very special benefits for a small number of Americans who are selected to participate in a scaled-down national service program. Thus it is critical that what we do this year will be a proud model for next year. Therefore, I am concerned that the benefits match the service rendered—that these participants offer a very special service to their country in exchange for these generous benefits. I believe we must closely focus the service of these participants on those areas of greatest national priority—of greater national

need and where they can be of greatest benefit to the country.

Initially, we cannot scatter the participants among many programs where no significant improvement can be ascertained. I cannot rationalize why we are providing participants with greater benefits than those accorded to VISTA volunteers or Civilian Conservation Corps workers, to name just a few. Otherwise, why would young people participate in VISTA or CCC? In other words, we must ensure the programs are designed to meet priority needs, and show they can meaningfully help meet those needs. For special benefits, there should be special service.

My colleagues share my conviction that human, educational, environmental, and public safety needs are critical areas of concern to all Americans, and areas in which we could use the service of dedicated volunteers. As examples of areas of critical national need, many of my colleagues have mentioned the mentoring program and home health care. I would agree with these priorities.

Let me point out another area in which our national objectives are not being met and where the long-term consequences will impact directly upon our standard of living and our ability to provide for future generations. That area is international development, and in particular, the development of democratic institutions.

How does this impact upon us? Why is this critical to our national survival? Our economy needs to increase its exports in order to grow. Without economic growth, we will not be able to provide even the same standard of living for our grandchildren as we enjoy today. The international economic market is much tougher than it used to be and competition is much more cutthroat. We cannot stay ahead unless we are more active in anticipating needs, preparing new markets, and understanding the needs for the rest of the world. We must also invest in developing new markets by assisting Third World nations in their efforts to improve their own standard of living. Where we can assist in establishing democracy and help people help themselves, we will be in a much better position to sell them goods and services as their economies develop.

We have a tremendous reservoir of good will out there, even in places where one would not expect to find it. I was surprised to find in my visit to Soviet Central Asia last year that these countries want U.S. technical assistance most of all. America still represents the best the world has to offer in business skill, respect for diversity, and opportunity for the individual to improve his or her life. They want our help—not traditional foreign assistance—but guidance on how to establish democratic institutions, create their own commercial code, judicial system,

worker protections, environmental regulations, and much more.

The Peace Corps has a strict mandate to stay out of any work that would involve local politics, so it cannot engage in many of these activities. The national political parties have organizations that do political education work abroad, each from their own perspectives. AID is developing programs to address most of these needs, but much more that needs to be done.

I advocate making use of individuals who are willing to participate in the national service program and who have particular skills to contribute to this effort. We need people with good language ability, often in the less common languages, who can go into these areas and work in the local language. Our aid programs are in need of people with an expertise in private enterprise, democratic institution building, and sustainable development. We need people who are willing to contribute a substantial amount of time—more than can be offered by the business executives on vacation or doctors on leave from their practice. And we desperately need to send as our ambassadors people with the enthusiasm and creativity for which America is so admired.

While I feel very strongly about these issues, my purpose today is to focus on the domestic aspects of national service.

Our Nation faces a daunting task. We have more young people dropping out of school than ever before. Our babies are being born at low birthweight because their mothers do not have access to medical care. Violence and teen pregnancy are on the rise and our children are leaving school with no one to care for them until their parents return late in the evening. These concerns are critical and must be addressed.

This is where the National Service Program comes in.

What we have today is the framework for legislation that will—at its height—enroll approximately 100,000 participants. These participants will receive a living stipend plus an educational award of \$5,000 for each year of service for up to 2 years. To many, that amount is considered generous. I would have to agree, given the current structure of the bill. As the bill stands, participants can receive these benefits regardless of the service they perform.

Considering the present appropriations levels of our student grant and aid programs, I can understand why these provisions seem unreasonably large. They far surpass what is available to our most needy postsecondary students who can receive no more than \$2,300 in Pell grants.

For this reason, and because I believe that national and community service must provide just that—a service—I plan to offer an amendment to the bill.

The purpose of my amendment is to strengthen the accountability of the legislation. My intent is to ensure that it is not "what can your country do for you?" but, indeed, "what can you do for your country?" Currently, there is no failsafe mechanism to ensure that participants are receiving benefits because they have provided a critical service to this nation.

My amendment would require that only those national service programs meeting national or State priorities would receive assistance. Without such an amendment, this bill will drift along providing assistance to scattered programs without any true goals. We also leave ourselves open to criticism that the educational award is too generous. Until we can justify that the service being provided by participants entitles them to an award of such magnitude, we cannot, in good conscience, provide such a large stipend at the end of service.

I am confident that we can put national service participants to work doing exceptional things for their country. We must think broadly and over the long-term about what our top priorities are, and how we can best position ourselves going into the 21st century.

Madam President, I yield the floor.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BOREN. Madam President, I am pleased today to rise in support of the National Community Service Act of 1993. This program is a vital component of the President's domestic agenda and a cornerstone of this Nation's future.

The current pessimistic mood of the American people—increased concern about jobs and the economy, drugs and crime, and a growing distrust of Government—reflect a pervasive feeling that the problems facing our Nation are perhaps too large for us to tackle. Many people do not feel connected to society and do not see how they can make a difference. Yet, despite this general gloom, individuals and organizations in pockets all around the country are joining together to help rebuild our torn neighborhoods. Each of these efforts is inspired by a can-do spirit, innate in the American people, a belief that people working together can solve any problem. It is this belief that is at the heart of the concept of national service embodied in this bill.

The act captures the promise of national service by harnessing the spirit and enthusiasm of these neighborhood-based service programs. It does not create a bureaucratic monster threatening to swallow initiatives, but builds upon successful, existing programs. It encourages innovation as well as public and private partnerships to ensure both the quality and diversity of service opportunities.

Over the last several years I have been privileged to meet people across

this country from the private sector and the public sector, who have put together programs at the local level that are making enormous differences in the lives of the young people involved—people of all ages in fact—and making an enormous impact on changing the quality of neighborhoods across this country.

Citizens of all ages and backgrounds are given the chance to contribute to their communities. Beginning in kindergarten and continuing through college, service-learning programs give students time to critically reflect about their newly acquired skills and their application to real life situations. The potential of these programs to help communities is enormous. In Oklahoma, for example, the current Commission on National and Community Service has funded two programs which are helping to bring people together. The Oklahoma Serve-America Program gives at-risk students, dropouts, and other youths the opportunity to participate in programs designed to bolster feelings of self worth, while serving the diverse needs of their local areas.

I might say, Madam President, several years ago I had the opportunity to read an article. I cannot lay my hands on it. I wish I had not lost it because it had such a tremendous impact upon me.

It was an article about a very troubled inner-city neighborhood, about a park in a neighborhood that had become dilapidated, about a high-crime rate in that particular area. It told of a private organization that reached out to those people who were in severe trouble, young people who had gotten into drugs, the use of drugs, who had fallen into criminal behavior, who, in fact, had developed records with law enforcement agencies, those who had simply lost faith in themselves.

Instead of allowing that to go on, this group reached out to those, reached out to those who really had lost faith in themselves, and they said no matter how serious your problems, we want you to go to work to help solve the problems of those who are in an even worse situation than you are in.

So, if you have had a drug problem you are trying to overcome, we want you to reach out to those who still have drug problems in your communities and to help. We want you to take this dilapidated park in the middle of your neighborhood and help rebuild it and make it a place of beauty again, aesthetically pleasing, a place that can be the center of the community. We want you to reach out and help the law-enforcement officers in your area. We want you to help serve. If you do not feel you have quite enough to eat, or adequate shelter, we want you to reach out and work and help those who do not have anything to eat and no place to sleep.

So people who are living on the edge, or falling into complete failure in their own lives were asked instead to help those that were a little worse off than they were.

At the end of the year, the results of the experience were remarkable. Some of those people were very young people, teenagers, those that would have been of college age if they had been in college; some were a little older.

But at the end of that period, without exception, the neighborhood was partially rebuilt, the park was beautiful once again, and the vandalism had stopped. Many people were helping each other in the community; a sense of pride had returned, and all but one—I believe there were 60 people in this experiment—59 said they felt a renewed self-confidence. They felt now that they believed in themselves again, that they could do something worthwhile with their lives. Many went on to get permanent jobs in the private sector. Many went on to get further education and training.

Madam President, what we are talking about here is literally the saving of lives, the rebuilding of a spirit of community in this country, which is vitally and urgently needed all across this country. And we must do it by involving people of all ages and backgrounds. No one is too young. No one is too down and out himself or herself to render some kind of service to someone else in need.

It is like the old story of the person that was trying to struggle through a blinding snowstorm. And as the traveler who had lost his way in the snowstorm was about to give up and had absolutely exhausted his energy and thought he could go no further, he tripped across the body of somebody else there in the snow; he reached down and he felt that that person had a pulse, and he began to move that other motionless body around and tried to keep that person alive. He kept doing that for two hours, until finally a rescue group arrived. He saved the life of the other person and, in doing so, he saved his own life as well. And how true that is in life, and how urgently we need to take the energy, the ability of those individuals in our society, who have all but given up on themselves and put them to work, to help those who are even worse off and, by doing so, help them gain a sense of self-respect, and a commitment, and continuity and attachment back to community again.

We have seen that sort of thing begin to happen with the Oklahoma Serve America Program and many, many other programs. The Community Youth Volunteer Program helps increase the skills and leadership ability of Cherokee youth in our State, mentoring in challenged-based learning. By integrating services into the academic curriculum, students are

given the chance to extend their learning into the community and to help care for others.

The national service component of the act comes at a critical time for the Nation's communities and youth. According to James Rouse, one of the Nation's leading real estate developers, whose work for the Enterprise Foundation is dedicated to rebuilding America's inner cities—I might say Mr. Rouse, who has been so successful as a real estate developer, is now spending the remaining years of his life dedicating his experience and his knowledge to recreating a sense of community all across this country.

I had the privilege of hearing him recently, and in his remarks he pointed out that in this country over 500 people per 100,000 population are in prison. Over 500 people out of 100,000 are in prison. He pointed out that a similar figure in Japan was something like 11; and that the average for Europe was something like 20 or 25 per 100,000 in prison. And we are at over 500 people in this country in prison for 100,000 population. There is approximately a 25 times greater rate of imprisonment in this country than in the rest of the developed world. Sadly, the only country that was even close to us in the rate of imprisonment was the nation of South Africa, which has been in a virtual civil war for the last 20 years, and even there the rate was only about 400 per 100,000 population in prison.

Madam President, as many people pointed out, the nation that ultimately will lead this world is the nation that is socially and morally the strongest and most cohesive, where a relationship of family and community have survived. And when we look at ourselves through the prism of that statistic, 25, 30 times the imprisonment rate and the rate of violent crime in this country that is being experienced in the rest of what we would call the developed world, we have to ask ourselves what is happening in the social fabric of this country; and we have to realize that rebuilding the neighborhoods, the sense of community, attaching people back to a sense of responsibility for their neighbors, one for another, caring for each other, working together, that that is not a luxury, that is an absolutely essential item for this country; it is a matter of national security and national survival. It is a matter of saving the soul of our country, in the sense of rebuilding its community spirit which has made it the greatest nation on the face of this globe.

A teacher once was asked by her students, why is this country greater than any other country? Other countries have a lot of people, other countries are rich in natural resources; other countries have built military strength. Why is it that the United States of America, among other nations, has become the leading nation in the world?

And the teacher answered wisely: Because in this country every succeeding generation has cared more about the well-being of the next generation than it has cared for itself.

That is a wise answer. It is absolutely true. And here we sit, Madam President, seeing a dropout rate of young people leaving school at the rate of 29 percent before graduating from college, seeing an imprisonment rate which mirrors the fraying of the social fabric of this country, and no other country other than South Africa even comes close; those competing nations have only a tiny fraction of that amount of crime in their societies.

There is an urgent need to restore the social fabric of this country. It is not a luxury; it is a necessity. It is more than a necessity, it is an imperative. Both urban and rural communities around the country are torn apart by crime, drug abuse and general neglect. Feelings of hopelessness and alienation are commonplace among today's youth. Recent college graduates are finding the job market tough to pierce and are increasingly discouraged by their prospects. Both groups are in danger of losing the sense that they are an important part of their communities. Both are searching for concrete ways to contribute and to further their opportunities.

I see my colleague from Pennsylvania here, the manager of the bill this afternoon, and I recall his sharing with me an experience he had after the recent rioting in Los Angeles, in which he either talked to, or he saw quoted, or saw an interview with a young man, obviously talented, who lived in the neighborhood who said: "When people look at me, I wish they wouldn't see"—and this was a 16 or 17 year old—"a person to be feared; I wish they would see a person whose talents could be utilized to build a better community or country."

That is at the essence of why we must, Madam President, take action to make more effective and to expand and involve more people, and particularly our young people, in national service programs.

National service reaches out to those students who wonder if they can make a difference, who wonder if they have any value, if they have any purpose in life, and it asks them to be a part of the solution to the problems of their own neighborhoods. It asks them to help build what was torn down, while giving them an opportunity to learn new skills. It gives them the satisfaction of helping to improve the lives of others, while allowing them to increase their own educational opportunities. It also gives them the opportunity to form mutual bonds of friendship with each other and with the people they serve.

This act also reauthorizes the Civilian Community Corps, which was es-

tablished as a part of the defense authorization bill last autumn. A number of us worked on that together in an attempt to bring back a modern day version of the CCC. Senator WOFFORD, whom I referred to a moment ago, worked very hard on that particular piece of legislation, as did Senator KENNEDY, Senator SIMON, and others on the other side of the aisle as well, such as Senator DOLE, Senator MCCAIN, Senator DOMENICI, Senator WARNER. They worked in a bipartisan effort to help to create a bringing back of—in a pilot form, at least, of the old program—the work of the Depression decade, work with young people. The Civilian Community Corps is much like the old CCC but in a modern form. This bill reauthorizes that Civilian Community Corps that many of us worked so hard on a bipartisan basis to establish. Although the CCC is complementary to current youth services initiatives, it will be a unique program that adds diversity to the menu of national service opportunities.

I think that is the key.

I see my colleague from Kansas, Senator KASSEBAUM, also on the floor, and I have had enormous respect for her contribution in this field and in the field of education.

We have worked together as much as any two Senators on a range of subjects, from the budget to education, to national security matters, to almost anything you can think about, tax policy, and many other areas.

I would say that I know this is the question that she has raised. I think it is very important at this point, and having sat down—and I have changed my views somewhat on this. When I began to work on trying to update the CCC in modern form and also the WPA as we think of welfare reform on down the road, I really thought principally about trying to form some uniform national program that would really work everywhere.

As I sat down and became better acquainted with our National Service Board that has now been working with these local programs, many of which are mainly privately funded, some of them with the assistance of localities and municipalities and others, I really began to have tremendous respect for what was being done in very, very diverse ways because we have very different communities across the country. What works in a rural area in Iowa or Oklahoma or Kansas may not be the exact answer for an inner-city neighborhood in New York, or in Los Angeles. So we have a very different situation. Many different approaches, personalities of local leadership often determine the kinds of programs that will work, often that spark that two or three individuals have that make a program go in one place that really cannot be replicated elsewhere.

So I think there is a value now in having what I just referred to as a

menu, so to speak, of different opportunities and different ways of trying this, especially as we think about perhaps expansion of programs in the future, trying to find exactly those that do work best and those that can be replicated in the most places. That is why, for example, the CCC is I think an important addition. It is complementary to the present programs, but in a way it is new. It would be federally run. Most of these programs are not directly federally run. They are locally run or privately run. It would be a residential program. Many of the programs we are now working with are still dealing with young people, for example, students still living at home living in their neighborhoods. It would take people out of that setting, place them in a residential setting, in a federally run program, and would bring young people from different parts of the country together and from different ethnic groups. Corps members will share different perspectives with others, increase tolerance and understand different ideas and approaches for the enormous diversity that is the strength of our great country.

Madam President, I have worried often, and one of the many worries that I have had about what has happened to our society is that there are very, very few situations anyone in which very diverse people come together. In the tragedy of war, men and women of all races have come together and they have fought together and they have been in crisis situations together and they have come to know each other—from the wealthy, to the sons and daughters of the wealthiest members of the communities, some small community, to a young person from an inner-city ghetto with no visible means of support without the experience of ever having had a mentor in his own family, perhaps not even had a family unit. They come together and they share a common experience. And we saw the impact of World War II and the desegregation that the armed services, for example, had on setting in motion forces in the country that would never allow us to return to racial discrimination as we have known it in the past.

Why? Because those who have worked together, who have fought together, who have risked their lives for each other, who have come to depend on each other and come to their own innermost thoughts and hopes and dreams for the future, those who have trusted each other, those who owe their lives to each other when they returned home back to civilian society and to peacetime, they could never again think that it was right for those who risked their lives for each other to be separated by some artificial racial boundary imposed by law. That came from a common experience, and we need those common experiences to

teach us over and over again that we are one American family and we are one American community.

And as we begin to become societies in which everyone with a certain income level lives in that neighborhood, never getting to know a person with a different income level across town, in which this racial group never gets to know this other racial group to understand that while their strength, the diversity and reason for pride in their own ethnicity how also much they share together in terms of common values and everyone's hopes, that young person from the inner city who desperately needs a role model, perhaps that role model of the same age who might happen to live in a suburb, will never get to know the potential role model, never experience and have a place for them to come together and share in a common endeavor.

And then that young person, privileged, growing up in the suburb, perhaps going to a private school or going to a public school with such an unusual student body that it might just as well be a private school because, in essence, each family is a sort of cookie-cutter picture of the other. They lose as well. They lose not knowing about the heroic struggles of young people who have no opportunity, who struggle to work so hard, who put in extra hours, do it on their own and without the encouragement, help, and support of a loving family.

So, we are all losers from it, Madam President. We all lose when we do not get to know each other. Those who need the hand up, they lose. Those who need that encouragement, they lose. Those who need to know so that they can be better human beings, how fortunate they are and what gifts they have been given and what a responsibility they have to give back to their society and how much it will give to their lives in terms of meaning and purpose, much more meaning than having another new car in the garage, more gadgets, et cetera, to play with, a new vacation to take, how much more meaning it will mean to their lives to have an opportunity to reach out and do something productive with another person. They lose as much as that inner-city youth loses.

So, we must create opportunities that bring people who need to know each other together and to help them to understand that they are all Americans together and that our strength is, indeed, in our diversity and meaning in our life indeed comes from helping each other.

I read the testimony of Mr. Dwayne Andreas, chairman and chief executive officer of Archer-Daniels-Midland Corp. before the Senate Labor and Human Resources Committee. He was talking about what the CCC did during the Depression. These young people from all parts of the country came together.

They lived in camps together, were involved in wholesome activities. They built parks we are using and the bridges we cross, planted trees that are still growing, that shelter our land from erosion. And what satisfaction they had and how enriched they were from coming to know each other from all across this country.

He said it in what should be a model for all of you and all the lawyers in this room and in this town. Roosevelt created the Civilian Conservation Corps with a two-page bill on March 31, 1933, a two-page bill, a joint effort of the Departments of Labor, Interior, and Agriculture and in what was in the Department of War. They enrolled 8,500 men per day past the last day of March.

God help us if we could ever once again be able to be that effective in the Government of the United States and really get things moving and get things done instead of embroiling ourselves in our parliamentary procedures and our partisan debates and our own hesitations.

Eighty-five hundred per day past the last day of March, and by June 16, there were 239,444 men in one of the 1,300 camps. The CCC would reach a peak of 502,000 with 2,514 camps. It was Roosevelt's vision and hope to keep the CCC as a permanent Federal agency, but after a while, it had to be downsized. Congress first opposed the President's plan to downsize it. There were so many people who needed to participate. Three million people over a period of time participated in that program.

Eventually, with the onset of World War II, it did scale down. It did cease to exist. It was no longer needed. Young people were needed in other kinds of service to their country. But it was considered by none other than General Marshall himself to have been vital for our preparedness. He talked about the skills that were developed, the values that were instilled in young people, the discipline that was taught, and he recalled that in a little over 8 years, 800 State and national parks were built, 4,000 historical structures preserved, 60,000 buildings built, 8,000 bridges, 97,000 miles of road, 4 billion trees were planted, 2 billion fish were stocked, and erosion was stopped, and 200 million acres of land and 4 million man-days were spent fighting fires, floods, and other disasters.

Madam President, that is not out of date. When we have so many young people in this country whose talents are being wasted, young people who cry out to have someone say we value you, we want you to be part of our community, a program like that is not out of date. It is not only not out of date, it is needed. It needs to be started today.

This is a modest approach. It is an approach to begin with 25,000. That is just a drop in the bucket for what

needs to ultimately be done. It is investment in our country that will pay greater dividends than any other investment that I can possibly imagine. Young people from urban areas given the opportunity to live and work in rural America and all the corps members will have the experience of living in other parts of the country. Only a national program that begins as a team approach with regional components offers this experience for our Nation's youth.

As I say, that is not the only model. There are wonderful local models working all across this country with absolutely inspiring people who are devoting their lives right now for working with these programs for whom I have enormous respect.

Let us have a bill that provides this menu. That is what this bill does. Let us look at the different kinds of programs. Let us see what works best.

Let us also have a national program that is federally operated like the one I just described.

The discipline of a military-type training program is very important for many of today's youth.

I think Arthur Ashe described the value of discipline in organized work best in an op-ed piece that he wrote immediately after the L.A. riots. Arthur Ashe has left many words behind him, words of wisdom, words of sensitivity, words that we all need to ponder. Among those words, he said this, and he gave us this gift of words as a legacy he left us in describing what he saw after the L.A. riots.

Families rent apart by welfare dependency, job discrimination, and intense feelings of alienation have produced minority teenagers with very little self-esteem and little faith that good grades and the American work ethic will pay off. A military-like environment for them with practical domestic objectives could produce startling results.

Discipline is a cornerstone of any responsible citizen's life. * * * [I]t must be learned or it doesn't take hold. Certainly, the CCC model—a federally run, residential program with an emphasis on military-style training and discipline—is a model that must be part of any national service program designed to offer a diverse array of service opportunities.

National and community service is an idea whose time has come. Millions of hours of manpower are required to fix the problems which we have neglected for too long and much of it will be supplied through national service. But even if our needs were not as great, we would still be here today pushing for this bill. This is because national service is more than a way of rebuilding our neighborhoods or providing student aid; it is a way of reviving the ethic of individual and civic responsibility which has made this country great.

Not to take more time, Madam President, but I just want to underline that once again. Even if we did not have such a huge backlog of physical needs

in this country, and other needs in this country—the homeless that need shelter and Federal parks that need to be rejuvenated, environmental projects that need to be undertaken, a decaying infrastructure all across the country—even if we did not need that—and we do need it—even if we did not have the young people who desperately need additional ways to earn money to further their own education—and we have many of those young people who do have that need—but even if we did not have either one of those two things prevailing, we would still have an urgent need to involve young people, who need a sense of belonging and a sense of worth and a sense of connection back to a community, to be given the opportunity to perform that service and to help us rebuild that sense of community. That need is there.

I talked to a superintendent of schools in a very rural school, a very poor rural school in our State. They did not know how to motivate the students. Many of them were native Americans and they could not get them interested in their English literature courses and in their mathematics courses.

He started an auto mechanics course. They loved to work on their cars and tinker with their cars, but they had to learn how to read the manual to work on their cars. So they began to learn how to read so they could read the manuals.

He got others in the bricklayer course and the masonry and the construction course, and the rest of it, to begin to learn their math and geometry first in order to build.

By the time he got through, he built a campus in the middle of this rural area. I think he has had one bond issue in 47 years. The work was all done by his students.

I said to him one day, "Do you have any trouble with vandalism in your school?" He said, "In the last 38 years, I do not think I have had to replace a single window pane. And we never had to scrape any graffiti off any walls because there has never been any on them."

He looked at me and said, "You know, Senator, people don't tear down what they build themselves."

Now, we have to learn that lesson in this country. We have to give people that kind of sense of pride and that sense of connection and that sense of belonging.

Not only has he built buildings that are being used by a school, but he built people, and he built pride, and he built self-respect.

He built a memory so that every time one of those now thousands of students who have gone through that school comes back to that little rural school—the road was a dirt road; it has now been blacktopped. But every time they now drive down it, they are able

to look at this window or this corner of this building or this piece of flooring and say, "I contributed that. That is mine. I did it. It is a part of this school forever." And it attaches them forever to that community and to a sense of responsibility for it.

The latest example of national service is the flooded lands of the Midwest. People are in dire need of help—they have no water, no food, no electricity, and many have lost their homes. How are they surviving? They are helping each other. They are coming together to rebuild their homes and neighborhoods, often with the help of existing youth corps. They are serving together under a common purpose, meeting the call to duty. They know that people are the most important resource they have, and that only by working together can they restore the strength and vitality of their communities.

There is a lesson here for all of us. Too often it has taken an emergency or a war to unite us in a common cause. But it should not take an economic or international crisis to break down the walls which divide us and to remind us of the values we all hold in common. We have too much at stake and too much desire for change to put off our problems. We must take this opportunity to renew our commitment to our country, for it is only in giving back that we become truly bound to our communities and to each other. By working together, we can help reawaken the spirit of community in this Nation. By investing in youth service today, we lay the foundations for a better tomorrow.

Helen Keller once said: "I look upon true patriotism as brotherhood of man and service of all to all." Although she said those words more than 70 years ago, they have even more meaning today.

I urge my colleagues to study this bill. I urge my colleagues—even those who have questions and doubts about it, those who are concerned about its upfront costs, those who are concerned about how we should start, those who are concerned about whether we should have a menu of different opportunities and different things that we try in the beginning—to say this experiment is worth it.

Never since I have been here has there been something presented to us that offered us the chance to experiment in a way that would reach out and really salvage the human talent and resources of this country, and rebuild our sense of community more effectively than this bill will provide.

This is something we must do—not for ourselves, but for our country, our communities and, above all, for the next generation.

This is something we cannot afford to avoid doing. This is not something we can afford to put off.

Madam President, I urge my colleagues to put aside our concerns and

our differences on any other matter, to put aside any partisan differences we have had over the last several weeks of bickering on other matters, and have some faith in the American people and allow some experimentation to take place at the local level and, indeed, at the national level to develop models.

Let us join together. Let us pass this bill with dispatch. Then let us try to emulate what was done between March and June 1933. Let us put these people to work. Let us get these pilot programs going. And then let us get on with the job of evaluating them, seeing which works the best, and trying to involve more people in them.

I urge my colleagues to support this bill. I am proud to cosponsor it with several of my colleagues here on the floor. I urge its swift passage.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Madam President, the issue of voluntarism and community service is one that is dear to the heart of virtually everyone in Utah. Our State, unlike some others, was built because the people were dedicated to community service. They really had no other choice.

Some people do not know the history of Utah, but it was built by a group of people who were migrating from persecution and ended up in that State, forced to build what they had in the middle of a desert and thus were founded on the whole principle of community service and help from one to the other.

Some have said they picked that particular place because no one else would want it. They decided it was the one place in the country where they could go and be undisturbed and unmolested after the persecution and mob violence they had experienced elsewhere in the United States.

So the principle of helping one's neighbor, the principle of community service is very, very strong in my State. It does not just go back to history. I have an experience that I will share with my colleagues here, that demonstrates the kind of spirit that we have in the State of Utah, referring to a man by the name of Lowell Bennion.

Lowell Bennion was a teacher whom I knew well. When I was going through the trauma of teenage romance and my parents were not at home, it was to Lowell Bennion that I turned to get some of my wounds salved and cured.

Lowell Bennion, in addition to being a teacher, however, was a great example of community service. He would go around the community and, by himself, find widows, homeless, others who needed help, and he would take care of them to the degree that he could, and then he would go among his friends and ask them to help him. On the basis of that legacy now there is at the University of Utah, where he taught, the Low-

ell Bennion Center where students have the opportunity to go into the community in an organized way and render the kind of community service that Lowell Bennion was famous for.

I am proud to have contributed financially to the Lowell Bennion Center and to have assisted it in its work. And I agree with some of the comments that have been made here on the floor by those who talked about the ennobling experience of community service. There are a number of students who have said their service in the Lowell Bennion Center, going into the inner city in Salt Lake City and helping people who have problems, has been the most significant experience of their college lives.

I rise today to comment on the bill before us out of that history and background because I have great concern that when the Federal Government gets into something that is a good thing, in the vernacular, the Federal Government tends to screw it up. I have the fear that is what is going to happen with this bill. We want to have community service. We want to encourage community service. I fear we may be heading toward what the Washington Post calls national disservice.

So if I may, Madam President, I would like to read a few paragraphs from the Washington Post. I often quote from the Wall Street Journal and from Fortune magazine, publications whose philosophy is usually more compatible with my own. On this issue I am happy to turn to a publication that is known for positions different from my own. The Washington Post says the same kinds of favorable things about community service that I have just said. And then makes this comment:

Let's not rush into this, however. Clinton is not proposing national service in a vacuum. By linking two problems—student financial aid and the need for national service—Clinton has produced a plan that has problems of inequity, a narrow base, and, most likely, inadequate resources to pay for it. The President and the media do a disservice to millions of strapped parents and students if they perpetuate the false hope that national service will be like the Homestead Act and the postwar GI Bill—both of which affected the lives of millions, and both of which Clinton invoked in his speech.

The Post goes on to describe some of the provisions of the bill, all of which are known to the Members here. And then says:

Step back for moment and ask: How many young people could be helped under the present aid system by that same \$3.4 billion?

Then the Post, after going through some specifics says this about it, to summarize that issue:

Any strapped parent or prospective college-goer can do the math: The national service kids will have a better deal—by nearly 2 to 1 or better—than ordinary students receiving federal aid.

After talking about some of the awkward provisions of this bill the Post makes this comment:

It seems inevitable that the service initiative will compete with regular student aid, which does stand a chance of making college affordable to "every" American * * * Members of Congress may not see the fairness of voting up to \$22,500 for one service student when that amount could help so many more through direct aid.

So the service kids will be privileged few—and not just because they get a better financial deal. Clinton has insisted that students should be allowed to serve regardless of financial need. Right now, virtually all of federal post-secondary aid goes to those in financial need.

It will be hard to explain why taxpayers should grant \$5,645 a year to induce a suburban youth to work in the inner city when that same amount could help several others who, perhaps having seen enough of the inner city, want to get out via college.

The Post concludes this editorial with this comment, with which I agree:

Clinton should not make his costly service program hostage to student aid reform. Service needs another political and financial base.

Madam President, I ask unanimous consent that the editorial in the Washington Post from the 3d of June 1993 entitled, "National Disservice," be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. BENNETT. I do not serve on the committee that has dealt with the details of this legislation. I follow it with great interest from those who do so serve. I will be guided by their wisdom and comments when the time comes to deal with the amendments that will be before us tomorrow. I simply raise this overall concern as one who comes from a tradition and atmosphere of national service. Is the Federal Government the best vehicle for encouraging this kind of thing? Does the Federal Government have a clear track record of crisp, clean administration that will bring about efficient and existing performance in this area? Or, as I believe, does the Federal Government have a history of heavy handedness, of bureaucratic musclebound overregulation in every area that has the capacity to destroy a good idea, has the capacity to love it to death, and then become overburdened financially and leave us with a network of Federal rules, Federal regulations, and Federal problems in an area where we are already seeing the normal volunteer activity of Americans producing significant community service along the lines of the Bennion Center?

So, for that reason, I state here that I will watch the amendments very closely. I believe I will be in favor of the amendment that I think is going to be offered by the Senator from Kansas [Mrs. KASSEBAUM] because I do want to see the community service program go forward. But as the bill stands now, I think it is in need of fairly significant surgery along the lines outlined by the Washington Post and other observers,

and I express my concern about the entire project being an essential Federal initiative when I think there is so much more that can and should be done on a State and local level without the heavy hands of the Federal Government stifling what could otherwise be a good idea.

EXHIBIT 1

[From the Washington Post, June 3, 1993]

NATIONAL DISSERVICE

Following up on his campaign promise to make college education affordable for "every American" while also reviving the nation's "commitment to community," President Clinton announced in New Orleans the details of his plan to combine national service and student financial aid. The major media, impressed by his wish to inspire "a new generation of Americans" to serve in hospitals, schools and shelters, generally embraced the plan.

Let's not rush into this, however. Clinton is not proposing national service in a vacuum. By linking two problems—student financial aid and the need for national service—Clinton has produced a plan that has problems of inequity, a narrow base and, most likely, inadequate resources to pay for it. The president and the media do a disservice to millions of strapped parents and students if they perpetuate the false hope the national service will be like the Homestead Act and the postwar GI Bill—both of which affected the lives of millions, and both of which Clinton invoked in his speech.

While there are provisions in the Clinton plan for service work by the very young and by adults, its core would be college-age students, paid the minimum wage while in service, of which the feds would pick up 85 percent, or \$6,290, a year, plus health benefits. For each year's service, the student would also earn up to an additional \$5,000 to be applied by the government toward a year of college or other advanced study. Students could serve for up to two years. Thus the maximum price tag per student, spread over four years, would be \$22,580, plus health benefits, all paid by taxpayers. The plan is to start the program with 25,000 enrollees in 1994. By 1997, some \$3.4 billion would be needed to run the program and support 150,000 participants.

Step back for a moment and ask: How many young people could be helped under the present student aid system by that same \$3.4 billion? In fiscal 1993, some 7 million were helped with college or other training costs by a congressional appropriation of \$12.7 billion. The average guaranteed loan was just \$2,800. The average Pell grant, which goes to the poorest students, was \$1,450. Yet a youth taking full advantage of Clinton's service program would get on average \$5,645 a year in federal support. Further, the wage payments for service and college credits are in effect grants, and not repaid, whereas the \$12.7 billion spent on student aid leverages \$27 billion going to students, of which some \$19 billion is loans to be repaid. Any strapped parent or prospective college-goer can do the math: The national service kids will have a better deal—by nearly 2 to 1 or better—than ordinary students receiving federal aid.

Clinton ties his service plan to financial aid in another awkward way. He has claimed he can save \$4.3 billion by overhauling student aid and says this saving would help offset the corresponding \$7.2 billion four-years start-up cost of national service. As many

have noted, such large savings may not materialize, putting the experiment with national service at risk.

It seems inevitable that the service initiative will compete with regular student aid, which does stand a chance of making college affordable to "every" American. Members of Congress may not see the fairness of voting up to \$22,580 for one service student when that amount could help so many more through direct aid.

So the service kids will be a privileged few—and not just because they get a better financial deal. Clinton has insisted that students should be allowed to serve regardless of financial need. Right now, virtually all federal post-secondary aid goes to those in financial need.

It will be hard to explain why taxpayers should grant \$5,645 a year to induce a suburban youth to work in the inner city when that same amount could help several others who, perhaps having seen enough of the inner city, want to get out via college.

National service will be a great federal experiment on a small scale. But its supporters should stop claiming that it will help "every American" put college within reach. If all 7 million students who get federal aid in 1993 enrolled in national service in Clinton's maximum terms, taxpayers would shell out an astonishing \$158 billion to pay for them. Deficit increases like that aren't going to revive the national spirit.

The present, flawed, federal student aid system needs overhaul, and Clinton is proposing legislation to do this. But the United States already enrolls 14 million in some form of college, including 51 percent of all college-age youth—almost twice the fraction our competitors do. Packing "every" American into college is a less important goal than inducing all post-secondary institutions to do better at teaching the students they have, while capping rising costs.

Meanwhile, Clinton should not make his costly service program hostage to student aid reform. Service needs another political and financial base.

THE PRESIDING OFFICER (Mr. WOFFORD). The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, although I do not agree with necessarily all of what the Senator from Utah has said, let me thank him for his remarks on the floor of the Senate.

I do believe that his concerns, or his warning about the dangers of centralization and bureaucratization of any kind of program represents the best of a conservative critique of policy—one which, by the way, I find quite persuasive and one which I think really we tried to avoid in this National Community Service Act. But I think it is right on the mark. If I was to draw from testimony in Minnesota, I would say to the Senator from Utah, at a hearing I held, over and over again, whether it be high school students, whether it be teachers, whether it be community people from around the State, they made the same argument.

They had the same concerns, and they insisted that this not be topped down, this not be centralized; that the priorities get defined by community people; that it be decentralized in the

administration of it. I think you are right on the mark in raising the set of concerns that you have raised.

The other point that I want to make, Mr. President, by way of introduction—these are not well-rehearsed or particularly well-polished remarks—is that I think those of us—the distinguished Presiding Officer, Senator MIKULSKI from Maryland, Senator KASSEBAUM—are committed to national community service not as a substitute for the Pell Grant Program, work-study programs, low-interest loan programs or all the rest, but rather in addition to. I do not think that can be the tradeoff.

We held a hearing in April in Minnesota, and we heard from people all across the State and, for that matter, all across the country. I have to—not have to but want to thank Peter Edelman who came out and testified at that hearing.

We heard from teachers; we heard from students; we heard from administrators; we heard from parents; and we heard from local and national policymakers. We heard from people like Mr. James Kielsmeier—whom you know so well, Mr. President—director of the National Youth Leadership Council, who has done so much work in this area. We learned from Kenneth Bailey, roads scholar, that is r-o-a-d-s, roads scholar for the Campus Outreach Opportunity League [COOL]. We learned from all sorts of different people who were involved.

The theme I heard over and over and over again was: Let the priorities be defined by people in the community. The theme I heard over and over again was: As students are moving on to higher education, this could be a marriage. We could combine, on the one hand, the real need that we have to be able to finance our higher education—I look at the pages here and I am sure that is something they think about—and at the same time, our yearning for community service. I think that is the marriage that is represented in this National Community Service Program.

Let me also say—and again this is a strong interest of yours, Mr. President, and a strong commitment and I really thank you for your leadership on this issue—service learning is an integral part of this bill. I think that is oh so important.

If I can brag, and I promise since it is late in the day not to brag for more than about 2 minutes, the State of Minnesota, I think, has really been a leader when it comes to service learning. We have 100,000 young people involved in service learning. When I travel around the State and talk with students in schools, which is about once every 3 weeks, I thrill with what the students are doing in service learning. This is K-12. Whether it be high school students working with elementary school students; whether it be high

school students working in senior centers; whether it be high school students working with people with disabilities; whether it be high school students who are studying the pollution of a river, it combines both the service and the reflection on the service and then the learning that takes place.

I think national community service is a winning idea, and I think it can inspire this Nation. I am very pleased to be a cosponsor of this legislation.

I would like to thank, because sometimes we forget to do this, Sherry Ettleson, a staff person who works with me on education issues. I feel really good that we were able to, if you will, help shape this in a couple of different ways.

First, the legislation includes provisions that encourage teacher training and service learning and encourages educational reform through service learning. I think that is important. That was a piece that we worked hard on with others.

Second of all, we include community action programs and agencies that can apply under this program for part of the funding when we are talking about the work that volunteers do. I think that is vitally important because I think those community action programs in our country have really perhaps been, more so than any other kind of programs, programs that have been out there in the communities working with low- and moderate-income people.

Third, this legislation enables the Departments of the Interior and Agriculture to establish the Public Lands Corps. I tell you, Congressman VENTO, from the fourth congressional district in Minnesota, is happy about that. I think to talk about a conservation program, an environmental program as a part of national community service is right on the mark.

Fourth, the legislation requires the Corporation to conduct—this gets at part of what the Senator from Utah was saying—an independent evaluation of the overall program and the program on a State-by-State basis to make sure that we have diversity of participants so that this does not become an elite corps, and to make sure we know what works, what does not work and we evaluate that and improve on that as it starts out.

Fifth, the legislation requires both the Corporation and the State commissions to have at least one youth representative between the ages of 16 and 25.

And finally, the legislation enables State commissions and the Corporations to include representatives of Indian tribes, at-risk youths and representatives of groups serving the economically disadvantaged.

All of us had a part, but if I had to point to some concrete work, which really Sherry Ettleson did, I am really pleased to work with other offices and, if you will, leave this imprint.

A final point. Mr. President, this is just the beginning. I think what we do is we start out with an idea that connects with people in the country. We try to then work hard on a piece of legislation. We try to get it going, and it becomes a model. We should not say to the people in this country that this is going to be a way that people are going to be able to finance higher education, whether it be young people or students who are going back to school, but it is a very important beginning.

The concern that I have had—and we have talked about that, I will say this to you, Mr. President—is I do not want this program in any way, shape or form to get played off against, for example, work-study programs on campus or, for example, matching grant programs for low-income students which is Federal money combined with State money. I certainly do not want to see it detract from the Pell Grant Program.

I have talked with the administration about this, and I feel like they have made a commitment. I believe that Senator HARKIN of the Health and Human Services Appropriations Subcommittee has made a commitment to make sure we do everything possible to keep those funding levels up to the prior level. For my part there would be much, much more. I feel good now there is going to be an effort to make sure we do not have this playing off.

With the permission of my colleagues, I wonder whether I can ask unanimous consent for 2 minutes, and only 2 minutes, for morning business to make a final statement. I ask unanimous consent to go into morning business for the purpose of making one final statement today.

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

GAYS IN THE MILITARY

Mr. WELLSTONE. Mr. President, I just felt maybe there has been discussion on the floor of the Senate about this today, but to my knowledge, there has not been. I would like to rise to express my anger, though it is a quiet anger, and my disappointment and my regret about the policy on gays in the military that President Clinton announced yesterday.

I am disappointed and I am angry because I believe this policy reduces a particular group of Americans to categories, to stereotypes and relegates them to lesser treatment before the law. I am disappointed because I believe this policy diminishes us all.

I know the President was under fierce cross-pressures. I do not point the finger at anyone. I know those pressures came from the military. I know those pressures probably came from the Secretary of Defense. I know those pressures came from powerful Senators and Representatives. But, Mr. President, I believe that the policy of

banning gay and lesbian persons from the military is wrong and I believe it should have been overturned.

I believe that the don't ask, don't tell policy, and all the fine distinctions that are supposed to be made, represent nothing but window dressing on a policy which fails to provide for equal protection under the law for all American citizens. I believe this was an issue of discrimination. I think it was an issue of basic civil rights for all of our citizens. I believe it was a matter of principle, and I do not think you can split the difference on a matter of principle.

So, Mr. President, I just wanted to have an opportunity to say that on the floor. I hope there will not be any effort to take what is an administrative decision into actually passing a law or codifying something. If that happens, I certainly will be out here on the floor, and I will have much to say about that. Perhaps tomorrow in morning business when there is more time I would like to build on these thoughts.

But I wanted to make sure that I spoke today on the floor of the Senate about something I feel very strongly.

I thank my colleagues for their patience.

NATIONAL AND COMMUNITY SERVICE TRUST ACT OF 1993

The Senate continued consideration of the bill.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. I thank the Chair.

I rise with enthusiasm and unabashed support for the legislation pending before the Senate on national service. I think that the passage of the national service legislation adds one more rung on the ladder of historic opportunity structure that the people of the United States of America have ingeniously created to provide access to the American dream. Each generation has sought ways to provide access to the American dream, which meant the ability to pursue higher education, to own a home, or to have a job better than your parents.

It has been the ingenuity of the United States of America over the years to come up with a whole set of social inventions that said to American citizens, through your own sweat equity you can help yourself be able to move up in American society.

It was the United States of America that invented the concept of night school. Ordinary people streaming from Eastern and Central Europe at the turn of the century finding themselves working in sweatshops or other factories. They could not go to school.

My own great-grandmother was one of those women who came to the United States of America with no guarantees but willing to pursue opportunities. And through the ingenuity of the

people who ran the settlement houses they came up with the concept called the night school idea, that even though you worked in a sweatshop, even though you worked in a coal mine, even though you did two shifts, one in a factory and one caring for your own home, you could put in a third shift and go to night school to learn about the American dream. What a great idea.

Another opportunity structure came after the end of World War II, when we wanted to salute the brave people who had fought in the United States military to save western civilization, and they fought to do that one foxhole at a time. A grateful Nation said we just do not want to give parades. What do you do when the ticker tape fades? We want to provide an opportunity structure. You lost time. You lost time with your family and time to pursue that dream. They came up with the GI bill of rights. And it empowered thousands and thousands and thousands of Americans to be able to pursue higher education or to have access to home ownership.

We said, though, we are now finding that the cost of higher education is skyrocketing. We need to have a new idea where many kids do not go away for the first 2 years of their education, and we invented a whole new framework for higher education called the community college in which people could either go for an associate of arts degree in a specific field, a technical field, and terminate their education there or go on to higher education.

Generation after generation says to America, we are going to use our creative and executive ability to come up with rungs on an opportunity structure.

And now today, pending in the Senate, is one more important rung that says to young people in the United States of America, we know that you are facing the biggest mortgage of your life called your student loan debt. You are facing a deficit in order to be able to pay for your student loan. But we are also running a volunteer deficit in the United States of America where in many programs the average age of volunteers is now in the fifties and sixties. Now, why not combine two important national goals, helping people to help themselves reduce their student debt but in that process also be able to participate in their community?

That is what national service is all about. It says for every right there is a responsibility, that we are going to provide an opportunity but there is going to be an obligation. But it will be a sweat obligation in which someone will in their participation in the community learn the habits of the heart de Tocqueville talked about. And what were the habits of the heart de Tocqueville talked about? It was the essence of neighbor helping neighbor.

Well, some people have gotten away from that, and this is one of the ways to bring them back.

I also believe that long after the educational benefit phase is over, young men and women will have been touched so much by their volunteer efforts that they will keep on volunteering in any capacity they serve, and that the benefits of this program will go on long after the educational benefit is gone. In my own life, I was deeply touched by the volunteer efforts in which I participated.

Mr. President, I have a masters degree in social work from the University of Maryland, a speciality in community organization and social strategy, and a degree that helps people organize for self-help.

In my own work as a social worker, I was paid to help others. For instance, on my own time, I went into the Baltimore City Jail to work with women who were going to be released from jail. But, they had no social workers. And Mr. President every Monday night while working in conjunction with the Catholic Church in the community, I met with a group of women who had no home, no job, no education, and no hope. One night a week I worked with these women who linked up with the Catholic Church and the Associated Catholic Charities.

So, there I was, Mr. President, listening to real women with real problems who did not want to go back to the streets doing and dealing drugs. I learned a lot from those women. I learned a lot about life. I learned a lot about compassion. And I learned a lot about the ability to help others.

I also worked in my own church and in an African-American church with other members of the church community to establish a credit union. We wanted to empower ourselves because in the 1960's Baltimore was a segregated town and African-Americans did not have access to credit. So, we banded together to empower ourselves—to get neighbor to help neighbor.

Those experiences shape me, they shaped me tremendously, and I truly believe that when young men and women are involved in our communities they will be shaped by those experiences, too. Young people face a tremendous challenge in reaching for the American dream as they try to pay off their student debt or struggle to prepare themselves for a competitive job market. They often do not have time to look outside themselves and lend a hand to others.

Mr. President, when we look at this legislation and how it accomplishes those national objectives, I think we need to be aware of the many penny-pinchers who erroneously see this bill as a spending bill rather than a cost savings bill.

We are talking about a \$300 million appropriation this year.

This bill authorizes \$394 million in the first year and such sums as necessary in subsequent years. But look at the benefits our community will get. In my own community of Baltimore and in other parts of my State, national service volunteers are working on building homes for Habitat for the Humanities, they are working side by side with the people from the community, they are creating housing that is not a Government program or a Government subsidy, but helps people empower themselves. In the long run the result will be cost savings.

There are other volunteers who are working in the field of literacy training, not only literacy training for children but, Mr. President, literacy training for adults.

Mr. President, for all those who doubt the effectiveness of this bill, I invite you to come with me to something called the Learning Bank in Baltimore run by Sisters of Mercy and listen as young people from Loyola College work to tutor adults, and listen to people who have lived in homeless shelters who have learned to read and now going on to find jobs. Certainly a little help for college students working with Sister Judith will empower people and ultimately result in a cost savings.

Mr. President, this legislation can meet unmet needs. Right now, Meals on Wheels, one of the most important tools to enable senior citizens to stay in their own homes, does not deliver Meals on Wheels on weekends. But we could fix that. These young people could provide that type of service, particularly in rural communities where people have very few resources.

These programs could be used as tools to be able to prevent the institutionalization of people in nursing homes. We could look at program after program to show what those benefits would mean.

This program has a full-time component to it to accommodate someone who has more time to serve or and give a year of service to VISTA or in other programs.

However, Mr. President, I am the architect of the part-time component. I know that many people cannot go away and some people do not want to go away. But they want to be able to serve. Our young men and women who are graduating in the technical fields of electrical engineering, environmental engineering, and space science, and cannot go away for a year in the Peace Corps or VISTA. They have to go right into their field.

But under the part-time model, they could work in their own communities, doing things that no one else is doing. They could be in public housing projects, working with young kids to run science fairs, getting these young people involved in math and in science, and helping them stay in school. They could be running Saturday scholar programs for the gifted and talented. They

could be mentoring people, young men and women who have no parents, or only one single parent to help.

This part-time model could be transformational for the people who give and for the people who benefit, because the people who benefit will then become the people who give.

Part-time service gives young people the opportunity to pay for their education while they continue with their lives. Part-time service offers a choice for those people who want to stay in their own communities.

Mr. President, this bill offers an opportunity and an obligation. This bill helps people achieve their aspirations, but asks them to put a little perspiration back into their own communities, using their skills and talents in working with successful, proven programs.

Mr. President, this is not another social program. It is not a big, new Federal spending program. There is no room in the budget for that or in Washington for a bloated bureaucracy. It is meant to be lean, and it is meant to be efficient. It builds on the National Community Service Program that this Congress passed 3 years ago. At that time, we set up a pilot project for national service and experimented with six national service models. Guess what it proved? That it is working; that national service does improve the community; that it can be done with minimum bureaucracy; that we do not have to create a whole new class of grant junkies; that we can reinvent government; that we can reinvent opportunity. And we can rejuvenate the United States of America.

Mr. President, I think this legislation is very important. It will lead millions of Americans to service, to better citizenship. It will lead them back to the basics of American values, and I believe it is the type of legislation that will take America into the 21st century.

We are only 7 years from the year 2000. A new century is coming. A new millennium is on its way, and certainly we want the young men and women of the United States of America to continue to have access to the American dream.

Mr. SARBANES. Mr. President, I want to commend my very distinguished and able colleague for her very powerful statement on behalf of this legislation, which I strongly support.

But I want to say that my colleague from Maryland knows this issue very well. She has played a very strong leadership role in developing this concept from the very beginning. She has brought to it her own very intimate knowledge of conditions on the street, if I may put it that way.

I do not think there is any Member of the Senate who knows better than my colleague from Maryland exactly the benefits that will result from this program. She has mentioned her own

background in social work. Well beyond that, it has been her experience at the local level, both in the community as a very strong participant and in local government, and she has a full appreciation of what can be done with this program, the opportunities which it offers to many people to participate constructively in helping to build a better society, and those who will be the beneficiaries in getting services that would otherwise be absent or not available.

I know how long she has worked on this issue, and how close she has been to it; the commitment, now numbering a number of years, which has shaped this concept, and now brings it to the floor of the U.S. Senate.

I think the statement she has just made on behalf of the legislation is as powerful a statement as we will hear in this body on this issue, or indeed on any issue.

I am very pleased to join in supporting this legislation. I do commend the Senator for the critical—absolutely critical—role which she has played in bringing us to this point.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I too want to join my colleague in commending our colleague, not only on her birthday today, but really in a very wonderful way on the—

Mr. SARBANES. Will the Senator yield for just a moment? I want to wish her a happy birthday.

Mr. KENNEDY. I was just about to do that.

Mr. SARBANES. I, too, want to wish her a happy birthday.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate as a whole wish the Senator from Maryland [Ms. MIKULSKI] a happy birthday.

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

Mr. KENNEDY. I think we have just witnessed a great scene of happiness and joy in extending best birthday wishes to our friend and colleague from Maryland.

As Senator SARBANES has said, and all of us understand, as we address this issue of voluntarism and national service, I think all of us in this body—and certainly the people whose lives have been touched by the leadership of the Senator from Maryland [Ms. MIKULSKI]—know what a difference she has made in the fashioning and the shaping of our national and community service legislation of 4 years ago, and now with this legislation that is before us.

She has been there in the early days, in the workings of the legislation, in the late hours of conferencing and struggling to find the funding and the financing for this program. She is tireless in meeting with the various groups from her own State, and those that are

involved in leadership for voluntary service programs across this country.

I think, certainly—I speak as the chairman of the Human Resources Committee, but most importantly, as a friend—that all of us want to commend and congratulate her for all of the efforts that she has made as we are beginning to debate this issue.

We still have a way to go to see its achievement and accomplishment, and we will still have a long way to go in terms of its full implementation and benefit. But, nonetheless, at this point in the debate, I sincerely congratulate the Senator for all the things she has done in this legislation, and in so many other areas of public policy, as well.

Mr. President, I want to express my appreciation to my ranking minority member, Senator KASSEBAUM, for her cooperation and attention to this public policy issue.

Senator KASSEBAUM, as all of us know, is a thoughtful and deliberate individual who studies legislation closely and carefully, and asks questions in a constructive way that brings new awareness and understanding to legislation which is introduced. She has been enormously constructive in the development of this legislation. She still has, I know, her own concerns that were expressed earlier this evening and will express during the consideration of her amendment tomorrow. But I want to, as chairman of the committee, thank her for her willingness to address this issue, as well as many others that are before us, with the kind of attention to policy detail, and the energy and the intelligence that she brings, to see that this national service program is done right, and her attention to so many other areas of concern of families in America. I thank her for all of her cooperation today. We certainly would not be here at this point, in terms of permitting the Senate to address this issue, without her cooperation and certainly her understanding.

This legislation, in a very real way, is a bipartisan effort. I think we remember very well the call to arms on voluntarism by President Bush a few years ago, his interest in the development of voluntarism, his Points of Light Foundation, and his attention to voluntarism during the course of his administration. And we are very much aware that the issue of voluntarism and service to the country reaches back to the origins of our Nation, really even before that. It has been something that has been supported by different political parties and different political leaders, and I would like to believe—and I know those most involved in this program do believe, Republicans and Democrats—that we are going to make every effort to try and ensure that this proposal reaches the young and old alike, and strikes in the hearts and souls and minds of young

and old Americans a responsive chord to give something back to America in return for all that America has given to us.

This belongs to no political party. It so happens that we have perhaps more Democrats that are supporting the legislation. But if we look back over 4 years ago, we have had strong, strong bipartisan support, overwhelming support in the U.S. Senate. It is certainly the intention of all of us on the committee to try and broaden that support as we move through the legislative process here, the conference committee, and into the future, because I think all of us understand that the concept of voluntarism is going to be with us as long as this Nation exists.

We welcomed the opportunity to have Senator JEFFORDS, Senator DURENBERGER, Senator CHAFEE, and Senator SPECTER in the early introduction of the legislation and also to have the support of Senator COATS and Senator GREGG in reporting out the legislation from our committee. We are going to make every effort to try and be as inclusive as we possibly can with this legislation.

Mr. President, I am going to include in the RECORD a complete explanation of the legislation, but let me just mention two themes very briefly. That is, when this country, I believe, has been at its best, it has challenged the young people, and they have been very much involved in the shaping of the direction of our Nation and public policy.

I speak from my own experience, as one who was involved in politics through the late 1950's and elective office in the 1960's. And I can remember many young people, including students from my own State of Massachusetts, many of whom were not residents but were involved in the sit-ins at the lunch counters, the real awakening of the civil rights movement, supporters of Dr. King, and how they really struck the conscience of the Nation.

So many young people did not realize the extent and the length and the breadth and the scope of discrimination in our country. Young people were involved in those early programs. I can remember, as well, three young people—Schwerner, Cheney, and Goodman—who were individuals who gave their lives in the civil rights movement in the early parts of the 1960's.

Young people marched with Dr. King, and it was young people who were here at the time of Dr. King's great speech at the Lincoln Memorial. It was the young people who went all through the offices of Congress and the Senate and talked about realizing the real promise of America that was enshrined in the Declaration of Independence, certainly more so than in the Constitution of the United States. That was something that certainly President Lincoln recognized in his Gettysburg Address.

And then young people made a difference. We saw action taken in the

Congress with the 1964 act, the 1965 act, 1967 and 1968 Civil Rights Acts that dealt with voting rights and public accommodation and housing and other issues. It was the young people in the late 1960's, in the Democrat and Republican Parties alike, who turned this country back from our engagement in war in Southeast Asia. They were repulsed by it, but they went back and turned their parents around.

Republicans and Democrats were involved in primaries in the Democratic Party, and they were involved as well in the Republican Party. The nomination went to a Democrat who was committed to ending the war, and a Republican who said he had a plan to end the war. But they really changed the direction of the Nation.

It was at the same time that young people were beginning to involve themselves in legal services programs, to bring the Constitution of the United States to many individuals who did not know about the 5th amendment and the 14th amendment, let alone the 1st amendment. They were young people that were involving themselves in the development of neighborhood health centers—Columbia Point in Massachusetts and Mt. Bayou in Mississippi.

It was young people again in the early 1970's that really awakened the Nation to the importance of preserving the air and water that we breathe and began to really ask important questions about toxic substances and pesticides and insecticides. On another issue, it was young people who cautioned about the proliferation of nuclear weapons around the world.

In all of these areas, it was young people that involved themselves in the National Health Service Corps to go to underserved areas.

I do not take the time of the Senate to talk about all those cases of young people involved in VISTA, or the old people involved in the Older Americans Volunteer Program, or the Grey Panthers, or other ACTION programs. Nonetheless, when we saw important and dramatic change, young people were very much involved in it.

Now, with the leadership of President Clinton, we are attempting to offer the opportunity of voluntarism, from the earliest of grades, into the program in the schools we call Serve America and to reach out to young people who may have dropped out of school and are looking for a second opportunity to involve themselves in community service, to challenge young people who are in school to engage in community service, and then with the direct loan program and contingency repayment, to challenge young people to work in underserved areas, and to have their loans repaid as a percent of income, and to continue the programs that permit many of our seniors to involve themselves in voluntary programs.

Basically, what we are trying to do is to open paths and avenues for Ameri-

cans, from kindergarten through their golden years, to give something back. We have fashioned and shaped a legislative proposal that attempts to do so.

This legislation asks Americans to work together to improve their communities, and in turn inspire others to join them. These acts of service will touch the lives of all Americans, demonstrating how each must assume the responsibilities that American citizenship demands.

For those of us who doubt that Americans will seize this initiative and become more involved in community service—for those who doubt what service can do—for those who believe that national service benefits only participants, I ask that they look at how service programs at this very moment are contributing their efforts or their talents in protecting the Midwest areas threatened by flooding, and how service is helping to deal with the devastation of the flood.

In Iowa, the Iowa Conservation Corps is placing sandbags along the Mississippi, Raccoon, and Des Moines Rivers. Corps members will be shuttling drinking water to shut-ins and the elderly, and delivering FEMA pumps to low-income areas so residents can survive. One hundred and fifty young persons will be staffing emergency shelters and medical stations for those with flooded or destroyed homes. And scores of teenagers lined up at day-break yesterday outside the JTPA office in Davenport, IA, for a chance to offer their services to assist in flood relief corps.

In Illinois, the Youth Volunteer Corps in the Quad Cities area made 400 calls and enlisted 75 teenagers in less than 24 hours. They provided sandbags for communities along the Mississippi as the river crested.

The Kansas City, MO, chapter of the Youth Volunteer Corps is working with the Salvation Army to remove the wreckage and assist in relocating residents left homeless by the flooding.

In Kansas, the Kickapoo Tribal Nation Corps is working to ease the flooding in the eastern part of the State. And the Youth Volunteer Corps in Omaha, NE, has provided food to relocated Nebraskans during the flood.

In Wisconsin, the Wisconsin Conservation Corps has two crews working in Black River Falls, cleaning out flooded basements and removing damaged plaster in homes. Corps members along the Wisconsin Fox River are working long hours placing sandbags to prevent the rising river from overflowing its banks. Almost 33 crews with over 200 corps members worked daily for 2 weeks in 12-14 hour shifts in Baraboo, WI, fighting a flash flood caused by 7 inches of torrential rain which fell in 3 hours.

These heroic disaster relief efforts are nothing new for youth service corps. Families in South Carolina

whose homes were devastated by Hurricane Hugo understood the value of these efforts when they worked with members of conservation corps from Montgomery County, MD, Atlanta, GA, and McKeesport, PA.

Rangers in Yellowstone Park were impressed by the strenuous work achieved by conservation corps from 14 States after the devastating fire in the summer of 1988.

San Francisco residents saw how effectively the California Conservation Corps and the local corps in San Francisco and Oakland East Bay helped rebuild the area after the 1989 earthquake.

But we do not need natural disasters like these to catalyze Americans into responding by helping others.

Across the world, many nations in this decade are witnessing a historic new commitment to democracy. In unprecedented numbers, Latin Americans, Eastern Europeans, and citizens of the former Soviet Republics are creating a new order and calling for real participation by the people in the institutions of their new governments.

While brave citizens in oppressed nations risk their lives for the right to self-government, large numbers of Americans fail to vote and continue to feel disconnected and disaffected from their communities. They have forgotten that democracy means not only the right to pursue their own self-interest, but the responsibility to participate in the life of the Nation in return.

A generation ago, during the cold war, Americans lived in the deepening shadow of the nuclear arms race. In an effort to involve the American people in helping to build his New Frontier and to promote world peace and international understanding, President Kennedy called on all Americans to ask what they could do for their country. Americans responded by the millions, and today, the Peace Corps bears witness to the enduring appeal of that ideal.

Today, the cold war has ended, but the challenges we face at home are as monumental as those we have faced at any time in our recent history. Crime plagues our streets and neighborhoods. Drug abuse is a national scandal. America has unprecedented numbers of homeless families. One in five children grows up in poverty. Twenty-three million Americans are too illiterate to read the headlines of a daily newspaper. We have failed to preserve our natural resources of clean air and water, and our national forests are at risk through exploitation and pollution.

We cannot meet these challenges without greater participation by citizens themselves. It is time to rekindle the sense of community service and commitment to others. The National and Community Service Trust Act of 1993 is an attempt to lay the ground-

work for this task and to provide more effective national leadership and support in our common effort to reach these goals.

This legislation will achieve many purposes:

It will enable our Nation to respond to unmet needs with a new array of citizens ready to combat drug abuse, homelessness and hunger, protect our forests, parks, and streams, improve their schools and child care centers, and assist elderly and disabled members of their communities.

It will remind all Americans of the responsibilities of citizenship, by starting service programs in the earliest grades.

It will benefit those who participate in service programs as well, by expanding access to higher education and job training for those who would not otherwise have these opportunities.

It will teach young people about the needs of their community. By teaching them to help others, we will also be teaching them that they can help themselves.

The service-learning portions of the bill will encourage educational reform in elementary and secondary schools. There is no better way to inspire a child's interest in science than by analyzing and cleaning up a polluted stream. There is no better way to help teenagers improve their reading skills than by helping a first grader learn to read.

This legislation is vitally needed. It is strongly supported by President Clinton, and it builds upon our highly successful National and Community Service Act of 1990, which was enacted with the strong bipartisan support of 75 Senators. The 1990 bill has already helped to create a nationwide infrastructure of well-run State and local service efforts. This new legislation relies upon this strong foundation of existing programs.

As I stated previously, this measure should be as bipartisan and successful as the 1990 act. Community service has been one of President Clinton's most widely supported ideas, and it appeals to conservatives and liberals alike.

In the Senate, this broad support was reflected in the Labor and Human Resources Committee, which approved the legislation by a bipartisan vote of 14-3. All 10 Democrats on the Labor Committee and a majority of the 7 Republicans voted for the bill. We have worked closely with other Senators as well. Senators WOFFORD, NUNN, BOREN, DURENBERGER, JEFFORDS, SPECTER, and CHAFEE have all been especially helpful in developing the bill, and they deserve great credit for their skillful work and their strong commitment. The legislation is bipartisan for a reason—because it responds to ideas that are universal and that transcend partisan and political boundaries—ideas such as community, patriotism, responsibility, citizenship, and opportunity.

Through this legislation, we hope that nationwide, every State will make available the array of opportunities available in many States today. In Massachusetts, young people may serve for a year after high school through the City Year Program in Boston. In return, they earn a \$5,000 scholarship. Pupils in the Springfield public schools begin a school-based community service program in kindergarten and continue through high school.

Organizations like the Thomas Jefferson Forum, Youth Outreach Weekends, Boston Community Schools, the JFK Library Corps, the Student Volunteer Resource Center, and Teens as Community Resources help young people volunteer outside the school setting.

Boston Partners in Education and Hand in Hand enable adult volunteers to assist schools and youth-serving agencies. Tufts University, Boston University, the University of Massachusetts, and other colleges and universities in the State encourage their students to serve in the surrounding communities.

Often, when I visit community agencies in Boston, I find former VISTA volunteers running these agencies, continuing to commit themselves to helping others through their service.

Through these programs, more than 10,000 Massachusetts young people are involved in service. They join the many VISTA volunteers and Older American Program volunteers serving in the State, and the countless other adults who serve through nongovernmental programs.

In recent years, I have had the opportunity to visit so many of these Massachusetts programs. I have seen the difference that a kindergarten pupil can make in the life of a lonely senior citizen. I have found third-grade classes excited by the opportunity to collect food for the homeless in their neighborhoods. I talked to a fifth-grader who helped create a conservation center and learned some basic science at the same time. In ways like these, even the youngest students can reap the benefit of serving others and helping in their communities. Once they make that commitment, they will keep it all their lives.

The National and Community Service Trust Act will create opportunities for many kinds of service from our youngest citizens to the oldest. Title I of the bill provides funding for States, localities, nonprofit organizations, and Federal agencies to establish a wide array of national and community service programs for Americans of all ages.

Title I reauthorizes the Serve America Program, which has been funded since 1990 by the Commission on National and Community Service. It provides \$45 million to fund part-time service learning programs for young citizens through their schools and

through community organizations like the YMCA or United Way.

Service-learning participants are not paid, but they participate in community service programs that combine service with education. Such service is vitally needed, and studies have shown that students learn subjects better through this interactive mode of learning. Serve America's goal is to make such programs available to every student in America, from kindergarten to college, and to instill the habit of lifelong service.

Title I also offers specific opportunities for senior citizens by reauthorizing the Older American Volunteer Programs currently administered by the ACTION Agency. These programs are an extraordinarily effective and low-cost method of enabling senior citizens to become involved in community activities, such as assisting other elderly Americans or caring for foster children.

The legislation also recognizes that many citizens, having experienced service and recognizing its importance, will want to make a more substantial commitment to the country. To expand the number of full-time and part-time service opportunities, the bill authorizes \$389 million in fiscal year 1994 to support national service programs with post-service educational awards. During this service, Americans will clean up the environment, respond to hunger, homelessness, disease, and poverty, tutor the illiterate, and meet other pressing needs.

In the Labor and Human Resources Committee hearings, many of the youth in these programs told us their service was the first time in their lives that they have felt they had something to contribute to their communities. For many, their experience is a turning point in their lives that can make the difference between lifelong employment and chronic welfare dependency.

These service opportunities will reward participants through a \$5,000 postservice award. This award can be used for past, current, or future higher education, vocational education or training programs, and part-time or full-time study.

As part of the full-time national service effort, the bill reauthorizes the VISTA Program, which has proven its ability to address the needs of low-income communities for over 20 years. VISTA volunteers have demonstrated their commitment and effectiveness in improving literacy, promoting economic development, and providing other vitally needed services in communities nationwide.

The cost of providing full-time and part-time national service is modest compared to the value of the work done. Studies demonstrate that the work performed by youth corps is worth nearly \$2 for every \$1 spent. Where corps have provided disaster re-

lief, such as flood relief, the work done is worth almost \$3 for every \$1 spent.

Such calculations do not include the equally important, but difficult to quantify, benefits which accrue to service participants through enhanced job skills, leadership skills, and self-confidence; lifelong commitment to community service; and increased participation as active citizens.

The skills gained can often enhance future Government revenue by helping participants to obtain paid jobs, or by reducing Government expenditures on social service and criminal justice for those who fall through the cracks of the educational system.

The program is not an entitlement. The bill specifies sums only for fiscal year 1994. In future years it will be funded only as fast as quality programs develop.

In 1994, 25,000 Americans of all ages will participate in the full-time and part-time national service positions with postservice educational benefits.

Title II establishes the structure to administer these service efforts. The bill folds the two existing organizations now responsible for the bulk of domestic national service efforts—ACTION and the Commission for National and Community Service—into a leaner, integrated organization called the Corporation for National and Community Service. This merger will occur over a 12- to 18-month period to ensure that it is well executed and achieves maximum efficiency.

The Corporation will be nonpartisan and entrepreneurial, with a bipartisan citizen board of directors. Its employees will not be under a civil service system, but will be covered by a more flexible merit-based personnel system. The Corporation will be authorized to solicit and receive private donations to help fund its efforts.

As in the 1990 National and Community Service Act, responsibility is given to the States to determine which local initiatives to fund, to ensure that the initiatives are responsive to local community needs. These decisions will then be ratified by the Corporation. The competitive process of applying through State commissions will guarantee that high quality programs will be funded and create a challenge for programs across the country to devise the most effective and creative uses of one of the Nation's most valuable resources—the time and energy of participating citizens.

This process builds on what already exists. Since 1991, States have had State-lead agencies to administer the 1990 National and Community Service Act. To ensure the quality of such agencies, the bill clarifies what must be contained in each State commission. In some cases, the State-lead agencies will continue to qualify. In other cases, the State will be given assistance to set up a new State commis-

sion. In all cases, the State commissions' efforts will be coordinated with the State ACTION offices and will often be located in the same facility.

Individuals wishing to participate in the national service program will be able to obtain lists of programs that have received funding and then apply directly to these programs to be included.

Finally, title III of the act includes funding for President Bush's Points of Light Initiative Foundation. The purpose of the Foundation has been to encourage every American to volunteer, to identify successful community service projects, and to promote leaders in community service. The Points of Light Initiative Foundation will help us meet our goal of facilitating broader involvement in voluntary service.

This legislation will not restrict funding for student financial aid programs in any way. Nor will it require any person to serve in exchange for Federal benefits. It will not impose a new bureaucracy on States or localities. It is designed to work through existing agencies and programs. Most important, it will not require any State, locality, institution, or individual to participate.

It is time for all Americans to roll up their sleeves too, and do more to serve their communities and the Nation. It is time to turn away from the "me" decade of the 1980's, and make the 1990's the decade of helping others.

Recently, I met with the first volunteers ever to serve in the Peace Corps. I asked them, why did you do it? How did you come to be a part of this ambitious new program, with so many risks and so little compensation? Their answer was a simple one—"President Kennedy asked," they said. No one had ever asked them to get involved before.

This legislation asks—and I urge the Senate to approve it.

I ask unanimous consent to have printed in the RECORD an outline of this legislation.

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

OUTLINE OF LEGISLATION—NATIONAL AND COMMUNITY SERVICE TRUST ACT (S. 919)

The national service initiative is designed to tackle the nation's problems by mobilizing Americans of every background, and particularly young people, in service to our communities and country. The programs extend support for service from the youngest elementary students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs. The centerpiece of the effort to support service is a new program to offer educational awards to Americans who make a substantial commitment to service. In addition to this program, which builds on the youth corps and demonstration programs of the National and Community Service Act of 1990, the National Service Trust Act includes:

Extension and improvement of programs in the National and Community Service Act of 1990 that enhance elementary and secondary

education through community service in schools, support after-school and summer programs for school-age youth, and fund service programs on college campuses.

Support for the Civilian Community Corps, to provide service opportunities in areas adversely affected by defense cutbacks.

Support for the Points of Light Foundation, to support volunteerism.

Extension and improvement of VISTA and the Older American Volunteer Programs authorized by the Domestic Volunteer Service Act.

Acceleration of implementation for the Stafford Loan Forgiveness program.

FOCUS OF SERVICE

National service must address unmet educational, environmental, human, or public safety needs. National priorities may be established within these areas.

National service must improve the life of the participants, through citizenship education and training.

Participants may not displace or duplicate the functions of existing workers.

CORPORATION FOR NATIONAL SERVICE

Structure

The national service program will be administered by a government Corporation for National Service, created by combining two existing independent federal agencies, the Commission on National and Community Service and ACTION.

The corporation will be responsible for administering all programs authorized under the National and Community Service Act and Domestic Volunteer Service Act, including VISTA and the Older American Volunteer Programs. The Corporation will also fund training and technical assistance, service clearinghouses and other activities.

The Corporation will have authority to combine the functions of the two sets of programs in order to reduce bureaucracy, but will maintain the distinct operational features of the VISTA and Older American Volunteer programs.

Current ACTION employees who transfer into the Corporation will remain within the civil service system, but all other employees will be governed by a more flexible, merit-based, competitive personnel system exempt from certain civil service requirements.

In order to build private and non-government support, the Corporation may solicit and accept private funds.

Governance

The corporation will have a fifteen-member volunteer Board of Directors appointed by the President and confirmed by the Senate. It will be bipartisan, representing a broad range of viewpoints, and include persons experienced in national service and similar programs; experts in providing educational, environmental, human, or public safety service; and at least one representative each of local educators and community-based agencies. Board members will serve for a term of 3 years.

Ten Cabinet secretaries will serve as non-voting ex-officio members.

The Board will appoint a Chairperson and Vice Chairperson from among its membership.

The Board will review and approve the Corporation strategic plan, grantmaking decisions, regulations and policies, and evaluation plan. It will also review and advise the Corporation President concerning overall policies of the Corporation, receive and act on reports of the Inspector General, make recommendations regarding research, ensure the effective dissemination of information,

and advise the President of the United States concerning service.

The President of the United States will appoint the President of the Corporation.

The President of the Corporation will have control over personnel, prepare the strategic plan, prepare grant decisions, make grants, prepare regulations and implement them, prepare an evaluation plan, establish measurable performance goals for programs, consult with agencies, suspend payments in certain instances, prepare the annual report, and submit to Congress such reports as are required.

Oversight

An Inspector General will oversee programs to guard against fraud and abuse.

Programs must arrange for independent audits and evaluations, and may also be required to participate in national or state evaluations.

The President will establish measurable performance goals for all programs.

STATE COMMISSIONS

Structure

In order to receive a grant, each state must establish a commission on national service or comparable entity. The corporation will provide funding for the state commission on a sliding matching scale, declining from 85 percent in year one to no more than 50 percent in year 4.

With the approval of the Corporation, states may utilize alternative administrative entities, as long as they involve diverse participation in policymaking.

Commissions will have 7 to 25 members appointed by the governors on a bipartisan basis. There must be at least one youth representative, one representative of national service programs, one representative of school-based programs, one representative of older adults programs, one representative of local and state entities, and one representative of local labor organizations. Additional members may include representatives of community-based agencies, program participants, local educators, experts in service delivery, business, Indian tribes, groups serving economically disadvantaged individuals, out-of-school youth, and other volunteers. Board members will serve for a term of 3 years.

A representative of the corporation will sit on each commission as a voting member and act as liaison between the commission and the corporation.

State commissions will be responsible for states' strategic plans, state applications for funding, assistance providing health and child care, state recruiting and information systems, grant administration, and projects and training methods. State Commissions may not operate programs, though they may fund state agencies that do.

State commissions must allocate at least 60 percent of their funds to non-state entities.

ALLOCATION OF FUNDS

States submitting plans approved by the Corporation will receive one-third of funds according to a population-based formula and one-third on a competitive basis.

One-third of funds will be allocated directly by the corporation. Programs eligible for priority consideration include federal programs, national nonprofit organizations operating multiple programs or competitive grant programs, national service initiatives in more than one state and meeting priority needs, proposals to replicate successful programs in more than one state, professional corps, and innovative national service pro-

grams. In cases of programs of comparable quality, there is a general priority for nonprofit organizations. States may also receive certain of these funds.

PROGRAMS

Goals

The Corporation will establish measurable goals regarding the impact of the service on the community and on participants. Programs will also develop their own goals particular to their situation.

Eligibility

Programs eligible for national service designation include diverse community corps, youth corps, specialized service programs focusing on a specific community need, individual placement programs, campus-based service programs, programs that train and place service-learning coordinators in school or team leaders in corps programs, intergenerational programs, national service entrepreneurship programs, professional corps, youthbuild programs, and Communities in Action Programs.

Programs may be run by non-profit organizations, institutions of higher education, local governments, school districts, states, or federal agencies.

Programs may not provide direct benefits to for-profit businesses, labor unions, or partisan political organizations, or use program assistance for religious activities.

Selection

Selection criteria include quality (based on criteria developed in consultation with experts in the field), innovation, sustainability, and replicability of programs.

Past experience and management skills of program leadership, extent of building on existing programs, and recruitment from communities served and their involvement in program design, leadership and operation will also be taken into account.

Programs serving communities of greatest need will receive special priority. These include communities designated as economically disadvantaged, environmentally distressed, adversely affected by reductions in defense spending, or experiencing a substantial reduction of population and having a high percentage of economically disadvantaged older adults. Fifty percent of assistance should be distributed to these areas, with a priority for recruitment from such areas.

Funding

All participants will receive educational awards.

To develop programs, one-year planning grants will be available. To support national service participants, three-year renewable grants will be available for program expansion or replication.

Administrative costs will be limited to five percent of all grants other than planning grants.

Programs must pay 15 percent of the stipend and health care benefits in cash and 25 percent of other program costs receiving federal support. The 25 percent match may be in cash or in kind from any source other than programs funded under the National and Community Service or Domestic Volunteer Service Acts.

Federal funds must supplement, not supplant, state and local dollars.

PARTICIPANTS

Eligibility

Individuals may serve before, during, or after post-secondary education.

In general, participants may be age 17 or older. Youth corps participants may be age 16 or older.

Participants must be high school graduates or in most cases agree to achieve their GED.

Selection

Participants will be recruited and selected on a nondiscriminatory basis and without regard to political affiliation by local programs designated by states or the federal government.

National and state recruitment system will help interested individuals locate placements in local programs. Information about available positions will be widely disseminated through high schools, colleges and other placement offices. Recruitment efforts must pay special attention to the needs of disadvantaged youths. A special leadership corps may be recruited, trained, and placed to assist in the development of new national service programs.

Terms of Service

To earn an educational award, a participant may serve one year of full-time, two years of part-time service, or three years of part-time service in the case of students, in a program designated by a state or the federal government. An individual may serve up to two terms and earn up to two educational awards.

A term of service is 1700 hours. The Corporation has authority to develop provisions to offer smaller awards for shorter periods of service.

Educational Awards

Educational awards of \$5,000 will be provided for a term of service. Educational awards may be used to repay loans for higher education or to pay for higher education or training.

Educational awards will be federally funded and deposited into a national service trust on behalf of all participants accepted into the program. Organizations and individuals may donate funds to support national service participants in the donor's community.

Payments will be made directly to qualified post-secondary educational institutions, including two- and four-year colleges, training programs, and graduate or professional programs.

In the case of participants with outstanding loan obligations for qualified educational activities, awards will be paid directly to lenders.

Awards must be used within five years of completion of a term of service.

Stipends

Programs will set stipends within program guidelines. However, federal support will be limited to a match of 85 percent of a minimum wage stipend equivalent to benefits received by VISTA volunteers. Programs may provide additional stipends up to twice this amount, with no federal match for the portion of the stipend in excess of the minimum wage benefit.

In the limited case of designated professional corps in areas of great need, such as teaching and public safety in underserved areas, participants may be paid a salary in excess of guidelines and receive an educational award. However, no federal support will be available for a stipend, and professional corps will be selected on a case-by-case basis directly by the Corporation.

Health and Child Care

All participants without access to health insurance will receive health coverage. Federal dollars will pay up to 85 percent of the cost of these benefits.

Participants will receive child care assistance, if needed.

SERVE-AMERICA

The proposal extends and expands the existing Serve-America program for school-age youth and Higher Education Innovative Projects for Community Service. Modifications to these programs are described below.

SERVICE-LEARNING PROGRAM

Program Goals

To build a foundation for service among the nation's youth, inspiring them to serve and instilling in them the values and attitude to serve effectively after graduation.

To create opportunities for all American children to serve our country.

Types of Programs

Programs may be partnerships of local education agencies and community-based organizations.

Local educational agencies may receive planning grants to hire service-learning coordinators.

Types of Funding

School-based programs will be eligible for funding through state educational agencies, partly based on formula and partly through competition.

State educational agencies must develop state plans that indicate programs to be funded and detail 3-year strategies for service-learning in their states. The Corporation must approve state plans.

Programs may receive one-year planning grants for school-based programs. Subgranting to experienced institutions for school-based programs will also be allowed.

All local programs will be required to provide at least 10 percent of total program costs in the first year of funding, increasing to 50 percent in the fourth. Local programs may utilize other federal education funds to meet the match requirement.

Training and Technical Assistance

Clearinghouses will be expanded to further enable them to disseminate information and curriculum materials; train teachers, service sponsors and participants; and provide needs assessments or technical assistance.

States will also receive additional resources to train and educate state educational personnel.

COMMUNITY-BASED PROGRAM FOR SCHOOL-AGE YOUTH

Community-based organizations working with school-age youth may receive grants from the State Commission for programs to involve such youth in community service.

National non-profit organizations may apply to the Corporation to make subgrants or run multi-state community-service programs for this population.

HIGHER EDUCATION INNOVATIVE PROJECTS

Higher Education institutions, consortia of such institutions, or partnerships of higher education institutions and non-profit institutions may receive grants from the Corporation for student community-service programs or programs to train teachers in service-learning methods.

Funds may supplement College Work-Study funds being used for community service placements.

EXTENSION OF THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973

The proposal extends and expands VISTA and Older American Volunteer Programs authorized by the Domestic Volunteer Service Act. Following a transition period, these programs will be administered by the corporation for national service.

VISTA

Extends authority for the VISTA program and increases number of VISTA volunteers.

Authorizes new VISTA Summer Associate program.

Authorizes a University Year for VISTA program to encourage student volunteer efforts addressing the needs of low-income communities.

Removes restrictions limiting the flexibility to manage VISTA, while reaffirming commitment to recruiting a diverse group of VISTA volunteers including young and older adults.

Increases post-service stipends by \$30 for each month of service. Such stipends are not available if VISTA volunteer accepts an educational award under the national service trust.

Continues support for VISTA Literacy Corps.

SPECIAL VOLUNTEER PROGRAMS

Provides broadened authority under the Special Volunteer Programs to supporting demonstrations and innovations, provide technical assistance, and promote other entrepreneurial activities. Eliminates specific authority for student community service and drug programs, which are covered under the broadened demonstration authority and under the National and Community Service Act.

OLDER AMERICAN VOLUNTEER PROGRAMS

Renames the Older American Volunteer Programs as National Senior Volunteer Corps and the Retired Senior Volunteer Program as the Retired and Senior Volunteer Program (RSVP).

Lowers eligibility age for participation in the RSVP program to 55.

Clarifies that Foster Grandparents may work with children with special and exceptional needs in Head Start Programs, schools, and day care centers.

Provides for a new demonstration authority to enrich and strengthen older American volunteer programs across the country.

Eliminates restrictions that limit the flexibility to administer the program.

Increases the stipend for low-income Foster Grandparents and Senior Companions once over the next five years to account for inflation.

ADMINISTRATION

Encourages relationships between ACTION and other federal agencies where ACTION volunteers might help further the purposes of other Federal programs.

Authorizes a Center for Research and Training on Volunteerism to strengthen volunteer programs across the country.

Provides a technical amendment to restore the crediting of VISTA service for federal pensions.

Mr. KENNEDY. We know that we have important evaluations of these programs. We have a variety of different ways of approaching these challenges which some people will agree with and some on which people may differ. But what cannot be challenged is really the broad effort that has been made to try and reach out to the greatest number of Americans in ways that will permit them to involve themselves in giving something back to the community.

We recognize that by doing this, first of all, we benefit the community; second, we benefit the individuals who are involved; and third, with major aspects of this program we provide education benefits so that we can enhance educational opportunity for young people as well.

Mr. President, we will have an opportunity to debate this issue. Finally, I would say that, if there is a general comment that we might make about the state of where this society is at this time, I think we have to really wonder whether we have that kind of caring about community that has existed in our society when this country has been at its best. I think, for whatever reasons—and we can speculate on that and many of us have views about why that has come to pass—we do not have that sense of community that we have had at other times. I hope that perhaps through some of the efforts that are made in this legislation, we can enhance that sense of community. That is essential to all kinds of public purposes and all kinds of common efforts in terms of dealing with society's basic challenges and opportunities and hopes and dreams.

I thank all of those who have been a part of this effort. We will look forward to debating these issues. I understand, if I am correct, from Senator KASSEBAUM that she will offer her amendment in the morning. It will be our intention to have that as the first amendment that would be considered. And then we hope to move along in an orderly fashion to address other matters of concern to the membership.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, first, I wish to compliment my colleague, the Senator from Kansas [Mrs. KASSEBAUM], for her leadership and for taking a courageous stand because it is not easy sometimes to stand up to a program that obviously has momentum. This program has passed the House and in all likelihood will be passed by the Senate.

It is my hope it will not be passed. I rise in opposition to this piece of legislation. First, I would like to mention I was in an appropriations meeting just a couple hours ago, and Senator BYRD, chairman of the Appropriations Committee, lamented the fact that we have a lot of spending that is growing and growing out of control. As a matter of fact, we just marked up the Department of Agriculture appropriations bill, 77 percent of that bill is mandatory spending.

For those who do not understand the definition, that means that spending is basically mandated by law and will continue to grow by law unless Congress changes that law, which, of course, we have the right to do and, frankly, we should do in many cases. Mandatory spending or entitlement spending or automatic spending is growing at many times the rate of inflation.

Frankly, Mr. President, Senator BYRD said something about authorizations. They are easy to pass and every-

body loves to run down to the White House and have their picture taken with the President when he signs a very important piece of legislation and they pass the pens around. And then later we have to pay for it, and pay for it either in the appropriations process or we just pass blank checks. And we see some of these programs exploding costwise.

Mr. President, I rise in opposition to this legislation, not because I am against national service. I like people serving our country, serving their community. This bill has a beautiful title, the National Community Service Trust Act of 1993. Who can oppose such a piece of legislation? This legislation has a great title, but also has enormous capability to explode in cost.

Mr. President, the bill we have before us would cost the taxpayers, \$394 million in fiscal year 1994. I am talking about the cost of national service, and I might mention the piece of legislation before us authorizes or reauthorizes other pieces of existing legislation. But I am going to talk for now about the new reauthorization that is in this bill, the National Community Service Trust Act of 1993.

It funds President Clinton's first year program at \$394 million, about \$400 million. Under the President's suggestion, that would fund 25,000 national service—I am going to use the word "jobs." The reason why I hesitate to do that is because I think this bill suffers a little bit from an identity crisis. I heard some colleagues say it was a jobs bill and talk of the CCC, the Civil Conservation Corps, which was a jobs program where people went out and built buildings, bridges, and highways.

Mr. President, I do not know if anybody is aware of this, but you cannot do this under this bill. This bill would prohibit anyone from having a job that would compete with anyone that happened to have a union card. So you are not going to be able to build buildings or bridges. You are not going to be able to build a lot of these so-called CCC-type projects that we had during and after the Great Depression.

Some people have called this an education bill by which we are going to help thousands of people obtain a higher education. Again, if this is an education bill, it is a whole lot of money that is directed that will help very, very few. It will help very, very few.

We have recently had so many people making so many speeches about holding down Federal spending and saying how they won't raise new taxes to fund new spending. We just passed the largest tax bill in history through the Senate. Now the conferees are working on it, and whatever package they come out with, it will still be the largest tax bill in history.

This is one of the new spending proposals that will fund. This is new spending. This is not old spending; this

is new spending. This is a new program that explodes in cost. The first year cost in 1994 will be \$394 million. That cost more than triples by the next year, \$1.25 billion. That cost almost doubles in the next year to \$2.4 billion. And then by 1997 we are looking at a program that is \$3.4 billion. The total cost of this program over 5 years is \$10.8 billion. That is new spending. That is additional spending. That is spending that we do not have on the books right now that we are getting ready to authorize, that we are going to be telling the appropriators to appropriate.

So, again, I think it is important that we look at the cost of this bill for those that are making rhetoric about wanting to hold down Federal spending. Maybe my colleagues will bring up the super collider or bring up the space station, the only two programs that many of my colleagues have been willing to cut. Here is a program that, in my opinion, we should not start, that we cannot afford, and we at least should acknowledge the explosive potential cost of this program, and then make a decision about if it is the right thing to do.

Mr. President, I think it is important to compare this program with two educational programs that we now have. I have already mentioned it is not a jobs bill. If it is a jobs bill, we really need to change it because to qualify you only have to work 1,700 hours a year. That is not very much work. That is not a year's work in my State. As a matter of fact, we would probably be teaching people poor work habits if that is the case. But they cannot do a job that produces a product or that would compete with any type of union labor throughout the country. So it is not really a jobs bill. At least the bill as defined right now, some people will call it a jobs bill, but it is not a jobs bill.

Is it an education bill? I heard President Clinton and others talk about how this is a great benefit for education; this is going to send thousands of people to school who otherwise would not be able to do so. If that is the case, in my opinion, it is a very poor use of our dollars.

Let us look at other educational assistance that we now have in the country. We have Pell grants. And in the 1991-92 academic year we had over 4 million beneficiaries for Pell grants, and it cost the Government about \$5.4 billion. We had student loans, most of those guaranteed student loans. We had almost 5 million beneficiaries in student loans at a cost to the Government of a little over \$2 billion. That is not the total amount of loan money, that is the cost to the Government, including default costs, interest expense, and so on.

Compare that to national service. Under national service you only have

150,000 beneficiaries at a cost of \$3.4 billion.

Mr. President, I hope that people will realize this. Only 150,000 people would benefit and yet the cost is more than we have in student loans, and you have almost 5 million people benefiting in student loans. In other words, this is an inordinately expensive educational program, if that is what this is supposed to be. We can help a lot more people with the existing system we have with Pell grants and student loans. You can help millions of students or potential students with the existing system that we have far more economically than we can with national service, which only helps 150,000 at the enormous cost of \$3.4 billion. I might mention there is something like 16 or 18 million students.

I sat in on appropriations hearings where we had administration officials singing the praises of this program.

This bill, this authorization, is not just limited to students. It is wide open. It is open to anybody. It is open to senior citizens, it is open to young people; open to people before school, after school. But it is going to help very, very few people.

Mr. President, if you compare the cost on a cost-per-person basis, I think it is even more revealing. Pell grants in the 1991-92 academic year cost, on a per-person basis, \$1,335. Student loans cost the Government \$416, again on a per-person or per-beneficiary basis.

But the cost under the national service program that we are debating today, by the year 1997 will be \$22,667, and that is if the administration gets their budget and helps the number of people that they have suggested.

You might say, "Where did you get that figure, Senator Nickles?" That is astronomical. That is almost 50 times the amount per person as student loans. "Where did you get that figure?"

Well, that comes from the administration's budget that says that they want to spend \$3.4 billion and they are going to have 150,000 beneficiaries. That is what the program costs. For the first year, spending is \$394 million, and it is estimated to help 25,000 students or 25,000 participants. That costs \$16,000 per person per year in the first year.

You might remember, Mr. President, they are eligible for 2 years. And so, for the bill that we are passing right now, we are going to tell a person, if they are eligible, they can receive 2 years of benefits. If next year it costs \$16,000 and they can qualify for 2 years—that is \$32,000 per person.

In 5 years, if we look at the administration's figures, or 4 years, actually, it is \$22,667 per person per year. If you multiply that times two, you are talking about \$45,000 cost to the Federal Government per person who participates in this program for 2 years.

Now, again, keep in mind and compare that to student loans and Pell

grants, where we are helping millions of people. There is no comparison.

So if it is a jobs bill, it falls fatally short, because they cannot do real work; it is restricted by the bill. If it is an education bill, this is a poor use of our Federal Government's money, a very poor use.

We can take this money and we can help people—either through grants or through loans—and not do something that requires them to have 1 or 2 years of public service that we have to provide a job of some sort. We have to provide something for them to do and we have to pay them, presumably, at least minimum wage. But I think the program is actually designed after other national community service type programs that typically today cost about \$16,000 per year per participant. And then we are also going to provide health care—and that cost has been exploding—and day care service.

And so my point is, Mr. President, these costs are enormous and they are real.

I do not take any great pleasure in coming out and speaking out against this. This is no fun.

A lot of people just say "national service." They do not know what it means, but it sounds good and I am for it. So you start trying to figure out: Wait a minute. Who is going to pay the bill? You start asking questions: What are these people going to do?

The bill restricts them from doing many types of jobs, so it falls into the definition of community services.

Who is going to make that decision? Well, we are going to create a whole new Federal bureaucracy to make those decisions. Again, I have some reservations about that.

Mr. President, I also see them competing with volunteers. If they are not doing jobs as defined in the marketplace—producing a product or a service or something, that is prohibited; they cannot build a building; they cannot build a road; they cannot do something that would take a job from one of your constituents in Colorado; in other words, they do not want to compete with the existing labor force—who are they going to be competing with?

I heard some people say: "Well, it is going to be volunteers."

We are going to pay these participants for 1 year or 2 years, we are going to pay them for the community service that they are going to provide.

I would assume that every one of my colleagues has been active in community service organizations, in charitable organizations, in the United Way and Red Cross and Boy Scouts and Girl Scouts and you name it, helping people with physical and mental disabilities. And I am sure, if you looked at everybody's résumé, they have a list of charitable organizations that is very long. And I compliment them for their effort.

Mr. President, in 1989, 38 million people worked as volunteers—38 million people—and they did so at no cost to the Government.

This bill is going to provide about 150,000 people to perform community service. It does not even show up as a percent of the volunteers that we have in this country. And some of these paid volunteers or paid community service workers are going to be assisting and in some cases competing with existing volunteers.

I cannot help but think that there is going to be some confusion. I cannot help but think there might even be some resentment from the nonpaid volunteers who are donating their time in rural Kansas or Oklahoma providing the service that needs to be provided. They feel a community need and they do it. Maybe it is delivering Meals on Wheels, maybe it is doing some other type of community service, assisting people that are hungry or homeless or whatever. They are providing a service at no pay or maybe little pay or whatever.

Yet now we are going to have 150,000 new workers, which is not even one-half of 1 percent of the 38 million volunteers that we have in this country.

But, wait a minute. What about the nonpaid volunteer, who says, "We are doing the same thing. Why should you get this benefit and I am not? Doesn't the Government owe me something?"

We are going to be setting up expectations for people that have been providing volunteer services. They will see other people providing community service under this new proposal and say, "Wait a minute. This is inequitable. You are getting paid for this. I am not getting paid for this. This is not right."

Are they going to withhold their services? Are they going to demand that they be paid?

I see a real inequity. I see us spending billions of dollars—\$3.4 billion a year in 1997—to provide 150,000, which is minuscule to the needs and demands that we have across this country to provide community service.

We have a need for community service. I hope no one misconstrues my opposition to this bill to say that we do not have problems in our communities or that we do not have demands that are unmet and need to be met. No, we do.

But I do not think this bill will do anything that will even show up on the scope of really solving some of the unmet needs that we have in our country.

I do not doubt that we will have some success stories. I do not doubt that you will not have some good work—and maybe it will be in downtown or urban D.C. or New York City—helping in an urban clinic, or maybe it is on an Indian reservation. Somebody says, "This is good. This is helping people."

This is getting kids immunized." I do not doubt you will have success stories out of 150,000 people. Do not misconstrue my opposition.

My point is you have 38 million volunteers. We may need 50 million volunteers to do all that needs to be done.

The point is, we are going to be paying \$3.4 billion and it will not come close to meeting whatever needs are out there.

Are we going to pay a greater percentage of the 38 million people who are donating their time to the Red Cross or the Boy Scouts now that are doing it because it needs to be done?

We cannot afford this. Mr. President, we cannot afford this bill. This bill is a brand new bureaucratic, explosive, costly bill. It is going to cost a lot of money.

Mr. President, I might mention, too, I have some serious reservations about what these individuals are going to do.

We do not know what they are going to do. A lot of it is going to be for Federal agencies. We are going to tell the States that they have to set up their own service commissions. And what they will end up telling these 150,000 individuals we do not know. My guess is, some of them will be doing very meritorious work. But my guess is a lot of them will be doing things that are less than meritorious. A lot of them will be doing things that probably a lot of us will be quite concerned about.

I am afraid, in some cases, they will be doing things that will be teaching them bad habits instead of good habits. Some people will be construing this as a job and they will think, yes, it is close enough for Government work. They will only have to work 1,700 hours a year.

If you work 40 hours a week that is 2,080 a year. A lot of people are going to be construing this as a job and, frankly, I have a feeling that work requirements, or the habits that are going to be acquired under this program are going to be a lot less demanding than those in the private sector. They may learn some bad habits. They may learn some things that will not be conducive for them to climb the economic ladder or to get a job in the private sector. Or they may think that they have to be paid to do volunteer work, and I hope and pray that is not the case.

I can see it being very open for abuse. I do not know if this means in some cases, some cities are going to say yes, I want x many volunteers. They might end up in my hometown, in Ponca City, watering the grass around Main Street. They did that earlier, under a previous jobs program. Is that what we really want our young people to do?

I almost hate to come out and oppose this program but I think I would be remiss in my duties in not at least sharing my concerns about what this bill means, as far as its cost, as far as what

it might do to volunteers across the country. So that is the reason why I have raised these objections. I also think I can count votes and I see this bill passing.

I think the Senator from Kansas [Mrs. KASSEBAUM] has an amendment that is a marked improvement over this bill. I hope it will pass. I, likewise, have some amendments that I think will make it better. But, frankly, I do not think we can afford this bill, and I do not believe it will be a positive for this country if this bill is passed in its present form. So I am hopeful some of these amendments, that will be discussed in the next couple or 3 days, will be passed.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. WOFFORD] is recognized.

Mr. WOFFORD. Mr. President, I look forward to the amendments of the Senator from Oklahoma, which may make the bill better, and I look forward to working with the Senator from Kansas, who has helped steward this process today, as we, tomorrow, go into the details that will build a bill that I hope gets strong bipartisan support. But before we perhaps close tonight I would like to make a few points in response to what the other Senator from Oklahoma has said. In fact, I would like to comment on what both Senators from Oklahoma have said.

First, Senator NICKLES' numbers in those charts are not in S. 919 which only authorizes specific funding for 1 year, and provides that the further years, the other years authorize such sums as Congress might choose to authorize.

Mr. NICKLES. Will the Senator yield on that point?

Mr. WOFFORD. I yield to the Senator.

Mr. NICKLES. So is it the Senator's intention to leave the funding at the present level adjusted for inflation? Or is it the Senator's intention to try to fund President Clinton's request, which is in my previous chart that goes up to \$3.4 billion in the next 4 or 5 years?

Mr. WOFFORD. The President has not proposed an entitlement program. He has charted what might be a growth over 4 years to something over 100,000 full-time participants in a year. Which, if it came to pass, would mean that over 4 years we have in this program something like a total of the Peace Corps volunteers over 34 years. But it is such sums as Congress may appropriate from year to year. And it is not only this Senator's intention but it is the purpose of the bill to let this growth, if it is growth, come as a result of what you might call the market. And the market has two factors in it: How many people, particularly young people, seek to give full-time service and who will volunteer for full-time service—and some small portion for

part-time service under the program the Senator from Maryland has pioneered; and the other even more important part of the market is whether the programs and the work they do, the jobs they do, the service they render, and the education the participants get, seems to communities and to the taxpayers of the United States and to the Congress, to be cost-effective and worthwhile.

Mr. NICKLES. Will the Senator yield? I put some facts in the RECORD and I would like the Senator to acknowledge that these are, one, President Clinton's budget request numbers; and, two, that we are fully funding his first year of the request. And if the Senator plans on likewise supporting his subsequent year request.

Mr. WOFFORD. Let me not be confusing. I am one of those who agrees that this should only grow by the market testing that will go on. That it is not an entitlement. And it is going to grow or shrink, year to year, by how it proves itself.

But I am very much in line with the spirit of the other Senator from Oklahoma who gave us the description of the Civilian Conservation Corps of old. When Roosevelt got the report that there were half a million young men on the streets of America unemployed he said, I want to get those boys in the woods. And he proposed a Civilian Conservation Corps. He called in the Secretary of Labor, Frances Perkins, and said I want you to develop a plan where you will recruit those young men and get them into the woods, in action, in service, in work. I want the Army to give the structure to it. And I want the Interior Department to find the hardest projects that the Nation most needs.

And in about 10 days they sent to Congress such a plan. And the Senator from Kansas would relish the fact that it was a bill that took 1½ pages to authorize the CCC Program.

Then he said, I want by the end of the summer to have a quarter million young men in the CCC camps. And by the end of summer there were 300,000 young people in those camps. The most notable organizer of those camps was a colonel named George C. Marshall. So the first Marshall Plan was the CCC Program.

Do I yearn for that kind of a program? Do I think we know enough from the pilot programs to, now, not just be a pilot program but to ignite the whole? I do. Do I think there is any chance we would act that way, either with a 1½-page bill authorizing the President to build this program with that kind of authority, or on that scale today? No. Granted the present state, the critical state of our economy and our deficit, do I think that kind of growth is going to take place? No.

Do I think we should start on a smaller scale than the 25,000 full-time

opportunities provided in this nearly \$400 million appropriation for the first year? No.

Some have said it is starting much too small, that millions of young people were stirred by this and would like to be part of it. And some have said today it is too large. I think the strategy is about right.

I would like to just also respond to the point of the Senator from Oklahoma that it is not a jobs bill, for one reason because he suggested people could not build buildings, build homes. If you look at the test service corps around the country, a great many of them, from the Philadelphia Youth Service Corps, and West Philadelphia Improvement Corps, to the Youth Build and City Year Programs in Boston, it is building indeed that they do a lot of.

And it is not precluded because of union opposition, if you have unions in on the planning of it from the beginning. The West Philadelphia Improvement Corps enlisted the help of the carpenter's union. They assembled a group of dropouts and at-risk young men in a west Philadelphia high school with a master carpenter, a retired member of the carpenters union.

They built homes for low-income people. The esprit de corps of those young men building it was extraordinary. The master carpenter who supervised them said it became something of great pride for the carpenter's union. In the first group, 4 of the 12 passed into the apprenticeship program of the carpenter's union, and they built a lot. So building can, indeed, be part of what this bill will promote.

Mr. NICKLES. Will the Senator yield just on that for a question? It is my understanding that there is a prohibition from doing work that would in any way compete with an existing job. Maybe I am overinterpreting that, but buildings are now built by existing workers, and so I am interpreting that provision to mean that this is not a CCC bill; that individuals cannot build roads, highways, bridges and buildings, courthouses, and so on, which were built in the late thirties.

Mr. WOFFORD. If the Senator interpreted it that way, there would probably be no work that anyone could do under the bill. That is, indeed, not a fair reading of what the bill says, and if there is any further clarification of that, we will have time to debate that in due course.

You said it is not an education bill. There are two ways it is an education bill. In the first place, it will help, in a modest fashion, those who engage in a full year of service to pay off their college or educational loans or to accumulate the money to go to college and pay their college costs at the rate of \$5,000 a year, which is something less than the accumulated average loan of those who go to a public 4-year college.

It could be of significant assistance to 25,000 young people who might participate in this next year, but it is another kind of an education bill because the participants in it are getting some of the most powerful forms of learning in the experience they will have.

Our Economic Development Partnership in Pennsylvania did a major study on the work force of the future in Pennsylvania, preparing for the work force of the year 2000. Our top corporate, educational, and union leaders in Pennsylvania participated, and they concluded that the qualities most needed in the work force of the future, and in the entry level jobs in the corporations represented on that task force, were the qualities you get from the intense experience and the discipline and self-discipline you get from a good youth corps where you learn initiative, responsibility, hard work, and teamwork. They concluded that the very qualities for the kind of citizen you want in this country are the qualities you want in the work force of the future; that service is a way to a productive work force. Those qualities are the qualities that can come out of this bill.

But above all, this bill is a service bill, and there is a confusion that has just been demonstrated by the Senator from Oklahoma—I think, promoted—in suggesting that service by part-time, unpaid volunteers is somehow the only kind of service, and the service of full-time members of the armed services, of the Peace Corps, of the new CCC Program that this body approved last fall, and the full-time service of the service corps and the conservation corps from around this country are somehow not service because they are getting essentially minimum wage stipend, living expense stipend, and an educational bonus at the end of the year.

I submit that instead of being in competition, those two forms of service are complementary. As the Senator from Maryland [Ms. MIKULSKI] said a little while ago, one of the ways you get people to develop the habits of the heart that involve, thereafter, throughout their lives engaging in citizen service, in volunteer services, and unpaid service is to give them the experience. It gives them the excitement that the Senator from Connecticut talked about when he went into the Peace Corps. It gives them that kind of experience from which, when they come home, they, like the 150,000-some former Peace Corps volunteers who have proved this in practice in this country, will be an enormous new explosion, not explosion of cost but explosion of service in the private sector for the rest of their lives.

The Peace Corps—1,000 return volunteers whom I met with a few weeks ago in California—gave a lot of testimony of what has happened in terms of the Peace Corps becoming a multiplier factor for volunteer service. It is com-

plementary in another way, and that is that many of the volunteer service programs no longer have the old constituencies which, to a large degree, often consisted of women. Now as women are rightfully becoming a central part of our work force, there is not the volunteer service corps and cadre that they counted on from unemployed women in our society.

Many of the private sector organizations that are supporting this bill—American Red Cross being another one—are saying that if they could have a corps of 10 full-time young people, or 100 full-time young people for this program, those participants in national and community service could be the cadre, the full-time body that enables hundreds and hundreds of other volunteers to be utilized, whether they are younger volunteers from school-based service learning programs, or older volunteers in the community.

I have been meeting all over Pennsylvania with private sector organizations who are leaping with enthusiasm at the thought that they could have a cadre of full-time participants who would mesh with, and help expand, their part-time volunteer service.

We will have a chance to debate some of these before long, but I would just like to close on the motto of the CCC Program of old, which answers what kind of a program it is: Serve, earn and learn. It is a program by which you earn a modest amount that helps people go through college. It is a program in which you learn active duty citizenship and many skills that are necessary for our work force of the future and, above all, it is a program where you serve your community and your country.

Mr. NICKLES addressed the Chair. THE PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I would just like to clarify something. My colleague has been singing the praises a little bit of the CCC Program, Civilian Conservation Corps, which did build buildings, and so on. I stated in my statement that I did not think this would happen under this bill.

Do I stand corrected, is it the Senator's opinion that through this bill, these 150,000 individuals will be building bridges, courthouses, and dams and other projects that were built back in the thirties?

Mr. WOFFORD. Mr. President, I will suggest that the courthouses will probably not be on anybody's building list under this bill. But Habitat, for example, which President Carter has been such a large part of, is one of the building programs for homes for low-income people that has utilized the services of youth corps people all around this country.

The structure of this bill is one in which the private sector—organizations such as Habitat, for example, colleges, universities, American Red

Cross—will be invited to propose to the State Commissions on Service the kind of well-structured, disciplined service programs that are not taking jobs away from people who are presently employed, that meet the terms of this bill. It is an invitation to the inventiveness of those private sector, and independent sector organizations, and cities, and States, to propose programs that will compete in this marketplace of service for the quantum jump in full-time service this bill provides.

Mr. NICKLES. Mr. President, I appreciate the very lengthy answer, but I think the answer is that they will not be building community-type buildings. They will not be building dams. They will not be building bridges. They will not be building basic-type infrastructure that was built during the thirties.

I mention this because I have heard other colleagues allude to the grandeur of the olden days, coming out of the Great Depression with a big jobs program by the CCC. I will tell my colleague, in section 177 there is a statement dealing with nondisplacement. It says in general:

An employer shall not displace an employee or position, including partial displacement such as reduction in hours, wages, or employment benefits as a result of the use by such employer of a participant in a program receiving assistance under this title.

I see that certainly as any construction project that has any size to it. I also see a problem—the Senator mentioned the Red Cross, and I could think of some other volunteer organizations. Sure, they would like to have the Federal Government pay for some of their volunteers. They have to pay for it now. They have to go out and raise money. They would love to have it—some of them would. I would think that some of them are smart enough to avoid such a pitfall. Many are very reluctant to have the Federal Government intrude. But I am sure there are a lot of organizations that would love to have Uncle Sam pay for some of their hired help or pay for some of the people who do staff work.

I might mention, when we talk about nonduplication, also section 177, it says in general:

Assistance provided under this title shall be used only for a program that does not duplicate and is in addition to an activity otherwise available to the locality of such a program.

Mr. WOFFORD. Will the Senator yield?

Mr. NICKLES. Just a moment. I happen to think those 38 million people the Senator alluded to earlier are providing some kind of service. They are volunteering, maybe not on a full-time basis. They may be part time.

Mr. WOFFORD. The Senator, it seems to me, is continuing the confusion I do not understand between full-time service, whether in the military service or the Civilian Conservation

Corps of the States that are existing today, or the new service corps that are existing in this country, and unpaid, part-time volunteer service. To suggest that that full-time service, whether in any of those enterprises that I just listed, should be unpaid, with no living expenses, no stipends, is to say that those programs, full-time programs, should be programs for the rich.

Who does the Senator know who is able to give full-time service other than someone who is retired? I would like to know who the Senator knows, the thousands and thousands of people, who are not very rich who can give full-time service without some kind of stipend to live on.

Mr. NICKLES addressed the Chair. The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I believe I still have the floor.

The PRESIDING OFFICER. That is correct.

Mr. NICKLES. Mr. President, just a couple of general comments and I will end this debate, and I will answer my colleague's question.

I think it is absurd to assume that we want to have the Federal Government come in and pick up and pay for the community service needs in this country. If that is the case, we are in serious trouble. This bill is going to explode to a lot more than \$3.4 billion. This bill—and again I say to my colleague from Pennsylvania, I appreciate his frankness and I appreciate his openness—he said should be demand driven.

Mr. President, this program has so much potential to explode in cost. That is one of my problems with it. For \$3.4 billion, we are going to help 150,000 people, not necessarily relegated to student status, either prior to school or after school. It could be at any age level. There happens to be something like 16 to 18 million students right now. And if this is a pretty good deal because you see benefits that are accruing where the cost is \$22,000, the benefits look like they are going to proximate VISTA, which is approximately \$16,000 this year and will only increase—that is \$16,000 a year. For 2 years, that is \$32,000. That is just the beginning.

You add the educational benefits on top of that, and this thing could be enormously expensive. And if it is going to be demand driven, if it is really a good deal, I am sure there are going to be a lot of people on various reservations in Colorado, New Mexico—I know a lot of people in my State say, wait a minute; this is a way for us to at least have some sort of a job, and Uncle Sam is going to take care of us, is going to give us health care. Uncle Sam is going to give us day care. Uncle Sam is going to help pay for our college.

Mr. President, the demand for this program can explode, and Congress has

a tendency to respond if people are knocking the doors down, saying we have to have more money for this.

My colleague has alluded to the success of the Peace Corps. The Peace Corps last year cost \$39,000 per participant. The Youth Corps is \$20,000, VISTA \$16,000. This thing can really explode. That is my point.

Do I think 150,000 paid Federal participant in this program are going to displace 38 million volunteers? No. Do I think it is going to create some inequities? I will answer part of my colleague's question. I serve on the Salvation Army Advisory Board in Ponca City, OK, and I have for years. We have people who work in the Salvation Army who receive almost no money but they cook meals every day for the homeless. We have people who are working, maybe some paid, some not paid, who distribute clothes to the people who are less fortunate. If they receive pay, their pay is so minimal it does not meet anything even close to the stipends. And I am sure they do not have benefits in addition to it. I think even the captain, who is head of the Salvation Army, his total pay and benefits hardly match that which we are talking about, and he is in charge of a large distribution, of a large—I guess you would call it a soup kitchen. They provide meals for the homeless throughout my region of Oklahoma.

My point is, the pay and benefits to the organization—and I am happy to be part of it, to be associated with it—the pay and benefits for those staff people is almost de minimis. I cannot help but wonder that some of those people are doing it because the job needs to be done; they are doing it for love out of their heart, but they also know their fellow man needs some help. But if they see another person coming in and doing a like-type function and maybe working a lot less, because that 1,700 hour requirement is not nearly as demanding as some jobs, and then getting \$5,000 a year to boot, on top of that, to help in educational expenses, I see some inequities. I see some real problems.

Maybe some organizations would say we want Uncle Sam to help us pay for this; so they would charge ahead and sign up and they will endorse the legislation hoping they are going to get some workers, hoping Uncle Sam is going to help pay for some of their staffers. That may be the case. I do not know.

But the point is if you have a demand-driven system or if you take the cost expected by President Clinton and his administration as requested in their budget, this program has enormous potential to explode and cost taxpayers a lot.

I say that at the same time we are marking up a tax bill, presumably under the guise of deficit reduction. I say that because Congress is in the

process of spending the money, the new taxes that the Ways and Means Committee and the Finance Committee conferees are trying to raise. We are going to be spending it faster than they can bring it in. They are going to be socking it to a lot of people with maybe a gasoline tax, a tax on Social Security, a tax on the wealthy, a tax on business, on anybody who pays alternative tax. And so they are going to sock it to them in new taxes and Congress is going to be spending it before the tax bill is completed.

I say that because I am very sincere that I see that as this type of a solution. Are there demands out there that need to be met? Yes. Is this a solution? No. Is this a solution towards an education bill? No. This is outrageously expensive compared to Pell grants or compared to the Guaranteed School Loan Program. If we want to do something towards education, let us make some improvements in the existing legislation we have that is many, many times more economical than the legislation we are now considering.

Mr. President, I yield the floor.

Mr. WOFFORD. Mr. President, just one more point, which is that a year from now, I hope since all we have before us is a proposal for a 1-year program for 25,000 people in full-time service, we will be back debating whether the record of what they have done and the record of the leadership of organizations like the Salvation Army in organizing programs, in proposing programs for community service, has proved itself.

If the attitude of those organizations is we are getting a few more staff members, the way it was with many social agencies under the Comprehensive Education and Training Act, CETA, I for one would be voting against it next year. If what we get is some of the things that are feared here, I will vote for at least reducing it.

We will meet again next year, and I would not be surprised if the Senator from Oklahoma finds a little different response from the Salvation Army or from the Police Athletic League.

Everywhere I have been in Pennsylvania, including talking recently to the Salvation Army people, who do wonderful work, they come alive with the thought. Most recently, the police leaders of a number of cities in the United States were in Philadelphia, and we presented this bill to them. They came alive with the thought of what they could do building onto their Police Athletic League with a group of full-time, young people in the neighborhoods where they are doing community policing, the kind of leadership they could give—the hardest jobs you ever loved.

And it is only if that is the spirit of the hardest job you have ever loved of serve, earn, and learn. If it is a reality,

then next year both Senators from Oklahoma may want to expand it. If it is not a reality, then I will join this Senator from Oklahoma in favoring a reduction of the program a year hence.

Mr. AKAKA. Mr. President, I rise to support S. 919, the National and Community Service Trust Act. This bill promotes the American spirit of community and generosity. It offers an opportunity for the youth of our nation to earn funds to pay for their education, and it will ensure the continuation of successful programs for older Americans.

The youth of our nation is one of our most important assets, and we must invest in it to ensure our preservation. President Nixon once said, "Nothing matters more to the future of this Nation than insuring that our young men and women learn to believe in themselves and believe in their dreams, and that they develop this capacity. * * * America's most priceless assets is the idealism which motivates the young people of America."

Mr. President, S. 919 is the mechanism that perpetuates this idealism and reinforces our belief in man's humanity. It allows our young men and women to serve our Nation and, in return, provides them the means to further their education. Volunteers will assist their fellow Americans in a number of ways—tutoring children to assisting at-risk youth groups, helping to clean and protect our environment, or lending a helping hand to our Nation's elderly. This bill recognizes the self-sacrifice of Americans and attempts to reinforce our country's ethic of rewarding hard work.

Whether part-time or full-time, young or old, the National and Community Service Trust Act expands upon the outstanding success of previous service programs. It reaffirms our commitment to national service by building upon the foundation of two existing agencies, the Commission on National and Community Service and ACTION. Program participants will be able to receive a small stipend for living expenses, health care, and, if necessary, child care. These benefits ensure that the program is not limited to a specific group of individuals, but allows all Americans to participate in serving their country. Priority will be given to those individuals who come from the areas being served, and at least half of the funds provided by the bill will go directly to needy communities.

Younger Americans are not the only individuals to benefit from this bill. S. 919 reauthorizes the Volunteers in Service to America [VISTA], Retired Senior Volunteers, Foster Grandparents, and the Senior Companion Program. These programs provide our matured and experienced individuals to share their wisdom with our youth and their time with our elderly. Over 500,000 older Americans work with chil-

dren, including those with exceptional or special needs, and provide companionship and assistance to other senior citizens.

President Clinton first proposed his season of service during last year's campaign, which was supported by millions of Americans. Hopefully, this bill will mark the beginning of a great humanity toward fellow human beings—a new beginning where Americans can choose their profession, not on the basis of salary or status, but on their ability to achieve personal satisfaction. S. 919 will allow Americans to choose a path of public service, without the financial burdens of education swaying their decisions.

The National and Community Service Trust Act of 1993 is an opportunity to unite this Nation by bringing together Americans from across this country in a reaffirmation of our values. Thirty years ago, Americans rose to the challenge in meeting the needs of Third World nations through the Peace Corps. Today, we are asking our citizens to once again rise to the challenge of meeting the needs of its own citizens. I have no doubt that we can meet the challenge.

Mr. President, as an original cosponsor of S. 919, I urge all my colleagues to support this important bill.

Thank you, Mr. President, I yield the floor.

Mr. HARKIN. Mr. President, a few days ago I returned from Iowa where I saw the massive destruction from the most devastating natural disasters in the history of my State and the Midwest. Flood waters and excessive rainfall over the past 4 months have ravaged every single county in the State.

The disaster encompasses the entire upper Mississippi and Missouri River Valleys and the destruction is heart-breaking—hundreds of thousands of people without safe drinking water, thousands of families driven from their homes by raging rivers, more than a billion dollars in crop damage and countless businesses destroyed by muddy flood waters.

In the midst of all of this despair, I also saw thousands of volunteers—individuals who have banded together to help their neighbors and save their communities. Volunteers are playing a vital role in helping communities survive the floods and will be critical to cleaning up, rebuilding and recovering from this natural disaster. It will take millions of hours to clean up and restore the homes, businesses, farms, neighborhoods and communities that have been demolished or damaged by this disaster.

As early as next week, we will be considering legislation to assist the flood victims. I intend to do all I can to make sure that the Federal Government provides the disaster relief that Iowa and other Midwestern States desperately need. However, the ability of

individuals, families and communities in the Midwest to recover from this natural disaster will be in large part determined by volunteer efforts.

Today, we are considering the National and Community Service Trust Act of 1993. This legislation creates the Corporation on National and Community Service by combining two existing federal domestic service programs under a single agency. Funding is reauthorized for VISTA, the Older American Volunteer Programs and the Commission on National and Community Service.

Volunteers from these programs have already been active in the Iowa flood relief effort. VISTA volunteers helped with sandbagging efforts in Des Moines and are working with FEMA to process disaster relief applications in north-west Iowa. In southeast Iowa, RSVP volunteers have provided food and refreshments for disaster workers and are conducting a food and clothing drive for flood victims. Members of the Iowa Conservation Corps and the Youth Volunteer Corps helped with sandbagging efforts along the Mississippi River and will be involved in cleanup activities throughout the State.

The Commission has allocated an additional \$250,000 to the Iowa Conservation Corps for flood relief activities. These funds will add 300 individuals for 5 weeks to the cleanup and recovery efforts. ACTION is also processing a request to add 40 to 50 additional VISTA's to Iowa for flood recovery projects.

Mr. President, volunteers are not just needed when we have a natural disaster. Volunteers are needed to combat illiteracy, assist the homeless, teach in our schools, police our streets, provide health care services and protect our national parks. The Ford Foundation estimates that there are 3.5 million jobs, most currently unfilled, that need workers. The National and Community Service Trust Act of 1993 can be that catalyst to energize volunteers and help change America.

The premise of this legislation is simple. Volunteers can make a difference in our Nation and in our communities. But they need to be asked and they need to have opportunities to volunteer. Further, we can encourage and reward full-time participation with vouchers that can be used for college or other job training programs.

I benefited from national service and can offer personal testimony to its value. A Navy ROTC scholarship helped pay for my college education and I was proud to serve my country as a Navy pilot. But military service is not for everyone is cut out for military service and we have a myriad of problems in our own country that need attention. This legislation will help meet these needs while at the same time rewarding those that serve with education benefits.

The United States has numerous problems. Drugs, crime, and gangs are destroying many neighborhoods; thousands of people lack the literacy skills to get and keep good jobs; in 1990, the United States ranked twentieth in the world on infant mortality, behind nations such as Hong Kong, Spain, and Singapore; hazardous waste sites dot the countryside; and millions of senior citizens lack proper nutrition, companionship, and health care.

Three decades ago, President John Kennedy called people of my generation to service. It's time to renew this call for a new generation of service. We can do so much.

We can eradicate violence from our neighborhoods and schools; immunize children and make sure all children start school ready to learn; provide nutrition and companionship for older Americans and help individuals with disabilities achieve independence by providing personal assistance services.

These are ambitious goals for our Nation. But they are no less ambitious than the goals and accomplishments of our ancestors. It will not be easy, but the rewards will be many and we can start now by passing the legislation.

Mr. President, since 1987 I have had the honor of serving as chairman of the Subcommittee on Disability Policy. I am very pleased that this legislation contains numerous provisions to include individuals with disabilities in service opportunities, both as participants in the program and as beneficiaries of service when appropriate. At the conclusion of my statement, I ask unanimous consent that the summary outlining the importance of this legislation for individuals with disabilities be printed in the RECORD.

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

INDIVIDUALS WITH DISABILITIES AND THE NATIONAL AND COMMUNITY SERVICE TRUST ACT OF 1993

It is the purpose of this Act to . . . encourage citizens of the United States, regardless of race, religion, gender, age, disability, region, income, or education, to engage in full-time service, sec. 2(b)(4).

The National Service Trust legislation recognizes the ability of Americans with disabilities to contribute to the nation by encouraging their participation in the service programs authorized by the Act. Specifically, the legislation:

Explicitly provides for individuals with disabilities to serve in youth corps, diverse community corps, school-based adult volunteer programs, and programs for school-age youth;

Provides for support services to be provided to participants, including reasonable accommodations, auxiliary aids and services, and modifications to allow the participation of individuals with disabilities;

Requires that recruitment information be disseminated through state vocational rehabilitation agencies and other entities that work with individuals with disabilities;

Allows educational awards to be used for the transition from special education or supported employment to work;

Allows discretionary funding to support innovative and model programs involving individuals with disabilities as participants providing service;

Bans discrimination against participants or staff on the basis of disability; and

Provides for the national corporation board and state commissions governing the program to be diverse with respect to a variety of characteristics, including disability.

In addition, individuals with disabilities will benefit as recipients of service. For example, participants may:

Provide independent living assistance and respite care;

Make buildings wheelchair accessible;

Provide sign-language translation;

Work in early intervention programs for children with disabilities; and

Serve in adult day care centers.

Examples of Service Programs Involving Individuals with Disabilities:

In Kansas, ten percent of the thousands of students recruited into service by their school districts are youth with disabilities.

West Virginia is organizing a coalition of state agencies to expand community service projects involving youth with disabilities.

In Maryland, teenagers with mental retardation run a center for needy families; other special education students work in hospitals, soup kitchens, nursing homes, and day care centers.

The Minnesota Conservation Corps includes crews that combine deaf, hard of hearing, and hearing youth.

Mr. PRYOR. Mr. President, today we are gathered on the Senate floor to debate a bill that I believe will be one of the more important pieces of legislation we will consider all year, the National and Community Service Trust Act of 1993. Next to the \$500 billion deficit reduction package we have been debating in the Senate and the soon-to-be-released health care reform package, this bill may not seem so significant. In my opinion, through, this legislation is about nothing less ambitious than reviving a sense of patriotism in America, and rebuilding our national community.

First of all I want to commend President Clinton for the tremendous vision he has shown by offering this legislation, and I would also like to compliment Mr. Eli Segal, the President's point man on this issue, for the leadership he has shown in working with the Congress and turning the President's vision into a legislative reality.

Mr. President, the history of America is a history of national service. In my lifetime, each American generation has embarked on its own agenda of service, helping to fuel our country's growth, spark our idealism, and bind us together as a people. In the 1930's, President Roosevelt's Civilian Conservation Corps developed our country's physical infrastructure and provided hope in the midst of the Depression. World War II enlisted our entire country in a campaign of national service, and the energy unleashed by the experience drove our Nation for two decades. In the 1960's, President Kennedy issued his famous call to service, "Ask not what your country can do for you; ask what

you can do for your country." Enrollment in the Peace Corps and VISTA soared in response.

The legislation before us today gives us a chance to revive the concept of national service for this generation of Americans, and by so doing, revive America. The National and Community Service Act of 1993 will enlist the talent and energy of patriotic Americans, particularly young Americans, in addressing unmet needs in the areas of education, environmental preservation and restoration, human services, and public safety.

Our country has so many needs. We have a crumbling infrastructure, crime plagued cities, and a hungry, sick, and undereducated population in many places. The legislation before us is like a church bell calling Americans out of their homes to help address these needs. By serving in the programs made possible by this act, more Americans will begin to realize that unless they take an active interest in their communities and their country, we will cease to be a healthy and prosperous nation.

This legislation will also help strengthen our sense of national community. As a result of this legislation, people of different races, from different backgrounds, and from different parts of the country will live and serve their country together. This new era of service will blend the melting pot of our population and promote greater unity within our diverse and often fragmented population. After a decade in which growing income inequality and racial strife has damaged our national cohesiveness and diluted our national purpose, we can surely use this unifying force.

Another thing I like about this legislation, Mr. President, is that it reinforces the concept of rights and responsibilities. Americans today enjoy one of the greatest societies this Earth has ever known. We have tremendous personal and political freedoms, one of the highest standards of living in the world, and almost limitless opportunities to move ahead and improve our lot in life.

Today, however, too few people realize that such privileges do come at a price. Many times in the past Americans have paid the ultimate price for these privileges by fighting and dying in our Armed Forces to defend our way of life. The threat from foreign aggressors is small today, but our domestic enemies, apathy and selfishness, still pose a real threat to our way of life. All Americans have an obligation to give something of their time and energies to help keep this country great so that the next generation will have it to enjoy.

Finally, Mr. President, I want to mention one aspect of this legislation that is of particular interest to me. One provision of the bill will extend

and expand the Older American Volunteer Program. Eventually this program will be administered by the Corporation for National Service like all the other programs covered by this bill. As the chairman of the Special Committee on Aging, I know the vast talents, energy, and insights of America's senior citizens.

In fact, I have sponsored an intergenerational mentoring bill in this Congress which is designed to involve more of our senior citizens in acting as mentors for school age children. I am pleased that the National and Community Service Trust Act also recognizes our elderly Americans and will put them to work on behalf of our country. We all have a lot to gain from our seniors.

Mr. President, I think all of us in this Chamber are in a position to be advocates for national service. We would not be here if we did not believe serving our country was a worthwhile, rewarding cause. I am pleased that with this legislation we will be providing an avenue of service for other Americans, so that like us, they too will have the privilege of serving their country in some way.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California [Mrs. BOXER] is recognized.

Mrs. BOXER. Mr. President, I have just listened to this debate. I just want to say to the Senator from Oklahoma that I spent a lot of time, as I am sure he does in his State, with the young people. I go very often to high schools and to community colleges and to universities. Young people in our country are thirsting for this kind of idea. They want it. And I hope that we will not infer that they are greedy and that they are going to do this because they want to make this glorious stipend, because I think, if we look at them that way, then that is an unfair way of looking at young people of America.

I would like to associate myself with the remarks of the wonderful and fine Senator from Pennsylvania. I am sure we heard this kind of voice when the Peace Corps was formed, and VISTA, and, of course, we have to be on our guard to make sure these programs work. That is why it is designed in such a way so we can make this evaluation.

I would like to ask a question of my colleague, the Senator from Pennsylvania. I ask him for the record to tell us what is this stipend that the young people would get and does he think it is going to be something that is so enormous that they, in fact, would do it not for the spirit of giving to the community, not because they want to be good citizens, but because they needed to have this money? I would like to ask the Senator to explain to us the nature of this stipend.

Mr. WOFFORD. The living expense stipend is approximately the minimum

wage. The \$5,000, to be earned only at the end of a full year of service, is to be used for college or postsecondary education, job training; as an educational voucher, either before going to college and job training or after college and job training. And you will owe a debt in order to pay it back. That amount of \$5,000 is about \$1,500 less than the average debt that a student going to a 4-year public college is estimated to have to pay.

Mrs. BOXER. So, if I understand it, under the Senator's leadership and that of Senator KENNEDY and others on the committee, they have developed a program here that would pay the minimum wage to young people who would go out and make a contribution in the community, a contribution that we need to be made—we know the problems that we are facing in our country—and that, after that time, if they completed the course, they would be able to have funds to put toward their college education.

I would like to say, Mr. President, that I feel very good about this program. I agree with the Senator from Pennsylvania. We, of course, are going to look at it, we are going to evaluate it, make sure that it is working. But I am very pleased to be in the U.S. Senate at a time when we have a President who looks at what is best in our young people, not what is worst in them, appeals to what is best in them. I think we are going to create a generation of young people that we are going to be very proud of.

I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized [Mr. GORTON].

Mr. GORTON. Mr. President, in reviewing this bill and listening to the initial statements in support of and opposed to it, I am brought to reflect on one of the great problems, one of the great challenges that each of us as a policymaker must face, not just in this debate, but in program after program and in idea after idea.

Over the years that I have been involved in setting public policy, I have only rarely heard of a proposal the purpose of which is quite obviously destructive of good order and proper service in our society. Very few proposals, very few of the thousands of bills and measures which are introduced in this Congress have some shameful or ill-defined purpose. The purpose is always a worthy social goal. Clearly, the purpose of this bill is a highly worthy social goal, public service, the inspiration of our young people, another way to gain an education and to be more productive in society.

In that respect, of course, the purposes of this bill differ not in the slightest from the purposes of the alternative which the distinguished Senator from Kansas will offer. But what

is exceedingly difficult, it seems to me, here and in other debates, is the relationship between a generalized and highly worthy purpose and the means which are proposed to reach a successful conclusion to that purpose—to approve a set of educational opportunities for our young people to provide real service.

Each year, in each Congress, there are new, worthy social goals which are proposed to be adopted by this Congress through the agencies of the Federal Government. These are almost always added onto programs which already exist; which when proposed, were pace-setting and were promoted with language much like the arguments of those who are promoting this bill at the time at which they are new.

But making those programs work better using experience we already have is never as inspiring or thrilling to any of us as individuals as is the opportunity to start an entirely new program.

Another observation I should like to make relates to part of the conservation between the Senators from Oklahoma and Pennsylvania about the experience of this country during the Depression. The CCC, created in a 1½ page bill, as I understand the two earlier Senators, was implemented almost instantly at a time when the country was faced with desperate needs; needs which we are faced with today.

I agree completely with the Senator from Pennsylvania. There is no way you can do this kind of thing in a ½ page bill. Our society is too complicated. But I do observe that this bill greatly adds to that complexity. We have guaranteed student loans. We have Pell grants. We have a half-dozen or a dozen or two dozen other programs to help young people gain a higher college and university education. We have in VISTA, in the Peace Corps, in a significant number of other statutes in the United States, provisions for service, mostly volunteer service, but, of course, in the case of the Peace Corps compensated for because it is full time in some respect or another.

Now what we propose in this bill and I think rather awkwardly, is a proposal connected in some fashion or other, through what is unfortunately a highly centralized form of administration. It is connected through a set of governmental standards set here in Washington, DC, operating through other bureaucracies in the States, governing but not superseding the managing bodies of several of these other Federal programs, all designed to entice young people not into private sector employment, but into the kind of employment which not more than a tiny percentage of them will ever have as a full-time career. This bill deliberately and quite consciously says this money is not to go into the private sector but shall go through existing organizations of a

charitable nature with a theoretical eligibility for religious organizations as long as they keep religion entirely out of it.

Why would not the Red Cross like this idea, in fact, be enthusiastic about it, when it can get full-time service that is priced much, much lower than it can get even with the kind of idealistic people whom it already attracts? Of course it will be enthusiastic. There are all kinds of full-time service organizations funded primarily through charitable contributions at the present time that will jump at the chance to get additional employees—just as was the case with CETA, in which there was a careful attempt to make distinguishing characteristics earlier in this debate. An employee who thinks that he or she is going to be able to get a very substantial contribution to a college education and then be able, in effect, to pay it off through some form of service at a modest salary, but with very, very significant benefits, is not going to say, in the abstract, "What a great idea."

But when one is in the Congress of a country which, however large its resources, is faced with the problem of extremely limited resources and of choices. One faces the dilemma, of: Is this the single best way in which to spend \$3 billion, for what, 25,000 people who will bring service?

But to have a program which is demand driven, the design of which by its sponsors and by the President itself is to grow exponentially over the years, what are we going to put it in the place of? Part of the debate over the reconciliation bill on the budget this year is that all of the spending cuts, or the great bulk of spending cuts for discretionary spending, which this will be, will come later in 1997 and 1998.

Members of the majority party are sensitive to that criticism. Members of this party point that out as a signaled effect in the budget with which we are faced. But something is going to have to give. These billions of dollars are going to come out of something else, but we have not been told what that something else is.

To this Senator it seems that my colleague from Oklahoma, Senator NICKLES, pointed out with great clarity that if our primary goal is education, we will educate infinitely more young people through programs we already have, with anything like this amount of money, than we will with the bill that we have before us; that if we are simply going to attempt to provide incentives for service, whether volunteer or otherwise, we can provide for many more through the expansion of some of our existing programs than we can through this one.

Mr. President, I am convinced that if this program does become a popular one, it will end up displacing far more cost-effective programs of the Federal

Government. But even that is not the source of the principal objection which I have, or the principal reservation which I have for this idea. My principal objection is that somehow or other service to society in the single nation and civilization which has been most noted for national and local volunteer efforts can be so much more efficiently managed by a group of 15 people in Washington, DC, who are working directly or indirectly for the Federal Government.

From before the independence of the United States through the reports of Alexis de Tocqueville to the present time, this country has provided infinitely more service, whether it is in pure voluntarism, or whether it is undertaken on the part of people who will work for far less money in a service profession than they could get in the private sector than has any other nation in the world. Somehow, we figure there is not enough of it. We figure we need to do something. We need to manage it, and we can manage it better here in Washington, DC, than anyone else can.

How much more true service would we get if we allowed a broader set of tax deductions, or even tax credits for a directed group of charities and tax-exempt organizations, allowing them to compete, to compete not with a Federal bureaucracy, but with potential donors on the basis of how much they could do with that money, dealing directly with individual young people, or middle-aged people, or older people, with respect to whom they hire for this kind of service with that amount of money.

How often would we be better off directing these young people through educational grants into the private sector, where service to society is measured harshly and very well by the ability of a private sector employer to provide employment.

It is a curious element, it seems to me, in our society that somehow or another, working for a business organization seeking profit is not deemed to be service, though, in fact, it may provide infinitely more important contributions to our society as a whole than do many, some at least, nonprofit organizations.

So it seems to me, Mr. President, that the serious and unanswered questions about a potentially very expensive idea here are these: Why is it that a centralized Federal Government proposal will work better in providing service than an indirect, private sector competitive proposal, such as tax credits; or, a concentrated Federal program, which simply gives scholarships to young people to provide for their education and then lets them make an absolutely free choice as to whether they go to the public sector, the nonprofit sector, or the private sector?

My second reservation is that we are not doing the job now that we ought to

be doing in creating educational opportunities or volunteer service opportunities. Now why in the world would we pack on another bureaucracy on top of so many others? One which inevitably in 2 or 3 years will be superseded by another idea, but almost certainly not killed. And, why in the world would we do this while, at the very time, we are debating whether or not we need to impose another \$250 billion in taxes on the American people over the next few years in order to reduce the budget deficit. Then to turn around with a program like this and say, well, reduce the budget deficit maybe, but not by this new program, not by another new program, not by what may be the idea of the year next year. It simply makes no sense.

Mr. President, the goals, the purposes of this bill are eminently worthy, as are the goals of almost every other proposal to spend money either through a new authorization or through existing authorizations with which we are faced. But is this the best idea?

Is it better than any existing program which this Congress is funding at the present time, at a level less than the proponents would like to spend? Mr. President, that proposition, at the very least, has not been proven.

Mr. WOFFORD. Mr. President, I hope as we move into the debate tomorrow, the thoughtful concerns of the Senator from Washington are going to be resolved, in some respect at least, as it becomes clear that the full-time participants in community service programs are not Federal employees. They will be volunteers with minimum wage stipends, who are admitted by organizations, most of which are indeed in the private sector in our society.

If anyone thinks living on the minimum wage in an urban or in a rural area in this country and living on the land on a minimum wage is not a lean condition of hard full-time service, then I suggest they try living on the minimum wage.

But most of all, I hope the Senator from Washington will see that what I hope someday he will believe is the genius of this act is that it is really reinventing Government by less Government and by the most complete decentralized proposal that the idea of national service has ever had; namely, that the structure, the building, the leadership, the supervision of this is going to come from those local organizations, and they might be a city or a State, but in most cases they are going to be in the private sector.

They are going to give the leadership and support of this, and the Corporation for National and Community Service is going to be a very lean antibureaucratic organization in which the whole structure of this system is going to be designed for the leadership and control of it to come from the grassroots up.

I also hope that the spirit that the Senator was concerned about in which organizations say, why not get some Federal support for this, is the last thing that we see in this and that the Senator will discover that he is underestimating the response of people to the crisis of our young in this country.

I was in south central Los Angeles right after the riots a year ago, and 25 years before I was in Watts in the same place, and I was given the same lesson that there were people of all backgrounds who were involved in the rioting but they were almost all young.

There is a crisis of our young people in this country that is, I think, not only the source of the greatest danger but it is the source of our greatest opportunity because we are now talking about what could happen to the lives of initially 25,000 young people who through this program may well discover that they turn around their lives the way the Senator from Connecticut said his life was turned around by his experience in the Peace Corps.

I remember the words of a great Secretary of Labor, Willard Wirtz on the idea of national service when we were thinking of it more as a Federal program instead of locally based and decentralized. Willard Wirtz said as Secretary of Labor he was deeply interested in education. He had been an educator and was deeply interested in job preparation and the work force, that most people live lives first of full-time education for 12, 16, and 20 years of their lives in the classroom, and then most people, if they are lucky, have 30 or 40 years of work in the private sector, hopefully. And in both cases one can hope that education at its best knows that service is part of its function, and high schools get connected to the community, and universities get connected to the cities they are in, and service is one of their functions as is the private sector and the free enterprise system not losing sight of its social responsibility and service.

Willard Wirtz said that the crux of bringing to life again what de Tocqueville was talking about when he said volunteer service was the secret of American success, the crux of doing that is to expand the very small circle of service in our society to a much larger circle in our lives and the idea of national service can be a way that you make the concept of service so contagious that it affects what they do in learning the rest of their lives, and it affects what they do when they go out into the world of work for the rest of their lives.

That is the reason I give in my mind top priority in imagining what can do the most to help young people become resources in this country.

Having seen the various job training programs and administrated them in Pennsylvania, from my own experience, compared to the well-organized

youth corps that have been proving themselves, I would put my investment and my priority in expanding in what I consider a modest way to the 25,000 level opportunities for full-time service.

Let me just close for the night by saying that this program is not suddenly coming from out of the sky. It indeed is an example of building on what this Congress has started, the National and Community Service Act of 1990, set us forth on this road. President Bush set us forth on this road. Bipartisan support in both bodies of Congress set us forth on this road. National service was tested under that act in demonstration projects, and it is time now for those pilots which proved themselves to ignite the larger furnace of this program that will be debated.

Mr. President, I suggest the absence of a quorum.

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

The assistant legislative clerk called the roll.

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

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

MORNING BUSINESS

ROTH OBJECTION TO CONFERENCE ON HATCH ACT AMENDMENTS

Mr. DOLE. Mr. President, the Senator from Delaware was taken aback today by the reaction of the majority leader when he objected to going to conference on the Hatch Act amendments. Actually, Senator ROTH had not been informed they were going to make a formal request to go to conference until just prior to the request being made. Thus, he was taken by surprise by the request. Normally, the committee minority is informed by the committee majority that a request is forthcoming and the number of conferees each party will send. None of that was done here. As he stated at the time, there was precedent in 1990 for the House taking our amendment without a conference, which would speed up the process, not delay it.

HEALTH CARE

Mr. SPECTER. Mr. President, after attending countless hearings, proposing extensive legislation, and serving as the ranking Republican on the Appropriations Subcommittee on Health Issues, it is a strikingly different situation to be a health care recipient facing major surgery. It gives a person a new perspective and one worth sharing with colleagues and others as we look toward legislation in this field.

While my experience may not be totally representative, I was enormously

impressed with the competency and dedication of the medical personnel who cared for me, leading me to be a reinforced believer in what we often say, that the U.S. health care system is the best in the world. An expert team led by Dr. Eugene S. Flamm removed a benign intracranial lesion and I received excellent followup care at the Hospital of the University of Pennsylvania.

My experience gave me new insights on escalating costs. When we complain about how much the cost of medical care has risen over inflation generally, we do not focus on new techniques which were not available just a few years ago. The miracle of the MRI has been with us only since 1984. It raises costs, but it is obviously worth it.

There has been some difference of opinion as to whether I should have had an MRI which detected the intracranial lesion. Without any history of headaches or other symptoms, I felt a tightening in my neck and mild pains running up the side of my head for about 7 weeks. An extensive series of tests on my heart, chest, ears, nose, and throat were negative. I pressed for and ultimately received an MRI.

The MRI showed a 2 by 2-inch intracranial lesion, which would not otherwise have been detected, with potentially serious consequences if not removed. It is obviously a complex question as to what tests should be given depending on many factors. Long before my own problem, I opposed those who advocate rationing in our health care system. I realize that rationing is an oversimplification; but that is the terminology used, for example, in questionnaires during the 1992 Pennsylvania Senate campaign. I said then, and repeat now, that I do not want rationing for myself, for my family, or for America.

As we approach legislation on health care reform, I urge my colleagues to oppose the concept of rationing and to construct standards which will give substantial latitude on ordering tests. A patient's instincts, like mine, are worth considerable weight in my judgment.

An MRI examination is expensive because the machine is so costly. While inconvenient, there is no reason those machines could not be run around the clock because the marginal operating costs are relatively small. I understand that many MRI's run long hours, but even more use could be obtained from them. More people could receive that test at a lower cost.

The question inevitably arises as to how we pay for such testing. I am personally convinced that substantial savings are possible in our current system as specified in extensive legislation which I have introduced S. 18 and S. 631.

I understand the limited scientific value of a single case, but I offer my

own experience and my own evaluation for your consideration. In a society dedicated to the worth of the individual, I urge that our health care policy should give side latitude to the use of life saving tests.

IN REMEMBRANCE OF GOVERNOR AKER

Mr. DECONCINI. Mr. President, I would like to say a few words in memory of a very dear friend of mine and of my family's who passed away on June 30—Mayor Governor "Gov" Aker.

Gov was a very special person to many in our community. Folks from the upper Gila Valley, like my mother, remember Gov for not only his incredible dedication and commitment to Arizona, but for his sense of humor, his love of golf, and his love of the people he represented. He never turned his back on anyone and always fought for what he believed in.

I would like to mention some of Gov's contributions to our State. Gov started his public service as a member of the Army Air Corps during World War II. After the war, he demonstrated his love of young people by being an assistant football coach at Northern Arizona University and then a head coach at Safford High School—a job he truly loved. Gov went on to become assistant superintendent of public instruction at our State capital. In 1964, he became director of youth programs for the secretary of the interior. Most recently, Gov was elected to the Safford City Council and, 4 years later in 1986, became its mayor.

Gov was and always part of Arizona. He loved it. It was his home. His untiring dedication to our State and its constituents will always be remembered. My deepest sympathies go out to his wife, Luwana. I would hope my colleagues would join me in wishing her the best and in celebrating the life of Gov Aker for his time, courage, commitment, and service not only to Arizona, but to the Nation.

THE 100TH BIRTHDAY OF GEORGE A. BROWN, SR.

Mr. SARBANES. Mr. President, on July 24, 1993, George Augustine Brown, a lifelong Maryland resident, will celebrate his 100th birthday surrounded by family and friends. A century of life is always cause for celebration—something few of us will have the pleasure of experiencing personally—but Mr. Brown is especially fortunate to be able to share this momentous occasion with his 10 children, 30 grandchildren, 43 great-grandchildren and 7 great-great-grandchildren. Were it not for the passing of his wife, Sarah, in 1985, after nearly 70 years of loving marriage, Mr. Brown's joy would surely be complete.

It is hard for many of us to imagine that there are Americans who still re-

member the Spanish-American War and every U.S. President since William McKinley. But Mr. Brown does more than just regale his listeners with exciting tales of people and events long forgotten; by his years of hard work, devotion to his family, religious faith, and public service he exemplifies the highest American values and is a model for us all. Having served some 34 years as a U.S. postal worker, where in his early years he delivered parcel post by horse-drawn wagon, Mr. Brown not only remembers Baltimore's history, but has become a living part of it.

Mr. President, I hope my colleagues will join me in offering my heartfelt congratulations and best wishes not just to Mr. Brown for having reached this milestone, but to all those who have had the benefit of knowing him as a relative or friend. I know they look forward to sharing with him many more years of health and happiness.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as anyone even remotely familiar with the U.S. Constitution knows, no President can spend a dime of Federal tax money that has not first been approved by Congress, both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is the constitutional duty of Congress to control Federal spending. Congress has failed miserably for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at \$4,334,092,903,543.66 as of the close of business on Friday, July 16. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is \$16,873.43.

OBJECTION TO CONFERENCE ON HATCH ACT AMENDMENTS

Mr. MITCHELL. Mr. President, I have just been apprised of the statement by the Republican leader regarding my request to go to conference with the House on H.R. 20, the Hatch Act reform bill. The Republican leader refers to a formal request by the majority on this matter. As is the usual case in these matters, my floor staff handed the Republican leader's floor staff this request at 9:15 a.m. this morning. Senator DOLE's staff refused the request at that time. The request was renewed and the negative response was reconfirmed later in the day.

As is my usual practice of informing the Republican leader prior to putting such a consent I, through my staff, informed Senator DOLE's staff of my intention to put the request during the

vote on final passage of the bill, and I asked that Senator DOLE be present on the floor when I made the request. Apparently his schedule did not permit that and thus it was left to Senator ROTH to object to the putting of the request.

Therefore, I want the record to be clear that this request was presented to the Republican leader's staff, in the normal course of business, twice during the day. I am not aware of, and thus cannot comment on what communications took place between the Republican leader's floor staff and other Republican Senators. But everything we did was in accordance with our standard practices in such matters, and the minority was fully, and repeatedly, informed of our intentions.

TRIBUTE TO PAT NIXON

Mr. LUGAR. Mr. President, I join all Americans in mourning the passing of Pat Nixon. This is a loss we feel deeply, as we pay tribute to her lasting and remarkable contributions as First Lady.

Pat Nixon will forever stand as a person who exemplified grace, charm, and perseverance. I recall how thoughtful Pat was to Char and me and all Hoosier delegates at the 1968 and 1972 GOP conventions in Miami Beach.

Although Pat was a private person, she shouldered the responsibilities of public life superbly. Her efforts to promote voluntarism and humanitarian service are legendary, providing a consummate example of altruistic public service. As America's most dedicated Ambassador of Goodwill, she traveled to more than 80 countries and touched the lives of millions of people throughout the world.

Pat Nixon will be remembered as an extraordinary First Lady. Her personal strength, devotion to her family, and dedication to her country were a constant inspiration. I extend my deepest condolences to President Nixon, Tricia, Julie, and all other members of a great American family, whose loss we share.

ENVIRONMENTAL RESTORATION OF SCRAP TIRES

Mr. HATCH. Mr. President, as my colleagues recognize, our country is facing a serious environmental hazard with the burgeoning numbers of scrap and automobile tire heaps dotting our landscape. Unfortunately, the shape and rubber content of tires makes them unsuitable for landfills and they are accumulating in these heaps near our urban and industrial centers, populated residential areas, and schoolyards and playgrounds. They are magnets for rodents, insects, and disease; and, if one ever catches on fire, it could burn for days, if not weeks. In addition, no one can deny that these heaps of old tires are eyesores.

I have been impressed with the entrepreneurial spirit that the presence of

these old tire heaps has engendered in many of our environmentally conscious citizens, especially several Utahns. They have recognized the threat to the environment and public health that these heaps pose for our society and have attempted to develop commercial uses for scrap tires as a means of eliminating these heaps.

Recently, I was made aware of one of these unique uses developed by a resident of Provo, UT, that I want to bring to the attention of my colleagues. Mr. Don Cox has invented a process for the restoration of soil contaminated with petroleum products that operates in a closed system and is nonpolluting. The energy source for this new technology is scrap tires. With this technology, the level of contamination in groundwater caused when oil wells are drilled will be significantly decreased.

This technology has been used successfully in the field and has been approved for use in three States. In addition, it has received commendations in two States where it has been employed. I am pleased to note this technology as well as other procedures being pursued in my State and elsewhere to achieve a cleaner environment through the use of discarded tires.

Mr. President, I ask unanimous consent that an article from the Utah County Journal discussing this technology be inserted in the RECORD at this point.

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

[From the Utah County Journal, May 4, 1993]

TURNING TIRES INTO MONEY

(By Lane Williams)

About a year and a half ago, an engineer told Don Cox that his idea to burn rubber tires for heat energy wouldn't work.

"This skeptic, like others, had 'waited until it was too late,'" Cox said. "It was already working."

Cox and his old friend Denzil Harvey spent about two years developing their idea to burn tires as a pollution-free source of heat energy. It's working. Earlier this year at an oil well in Summit County, tire energy saved Exxon Corporation an estimated \$2 million in projected costs for getting oil out of the ground.

Burning tires provides heat for another environmentally sound idea developed by the two men. Their truck-trailer-sized "soil remediation system" can save millions in environmental cleanup costs. Drillers often use mineral oil in the drilling process; it's an effective drilling technique but causes groundwater contamination. Cox's idea significantly decreases the level of contamination. The technology also allows Cox to clean up sites of underground gasoline storage tanks.

One of the most difficult environmental problems the United States faces is what to do with used tires. Their shape and rubber content make them unsuitable for landfills. When they sit out in the open, water collects inside them, making a perfect breeding ground for dangerous disease-bearing mosquitoes and rodents. When burned, tires generally give off dangerous chemicals.

Tires are made of hydrocarbons—so is gasoline—and could be a good source of energy

if someone could figure out how to burn them cleanly. The difficulty is that tire hydrocarbons include dangerous substances like polystyrene, which can explode.

Most inventors have tried to burn tires in large quantities. Cox and Harvey took the opposite approach, burning them in small boilers. In a patented, secret two-step process, they first control the amount of oxygen that goes into a small furnace. Volatile gases from the burning tires go to another chamber, where they are burned separately. The key principle in the process is that the volatile gases in a closed environment are like a match in a room with no oxygen; they won't burn. If you control or eliminate the amount of oxygen at important points in the chemical process, explosions won't result.

Early on, the two men did experience a few small explosions. The lid of the boiler was not properly secured and, on occasion, it would shoot off when the oxygen level got too high. "We've used those lids for Frisbees," Cox says.

Now the process just creates hot carbon dioxide. At 2,000 degrees, it is hot enough to provide a lot of heat energy for a wide variety of purposes.

Cox likens the process to a carburetor in an automobile. When it is running properly, almost no noticeable fumes escape from the back of the car. When the carburetor isn't working right, smoke is emitted. The smoke, like the black smoke from tire fires, is essentially unburned fuel.

Utah and Texas officials have checked Cox's process and have found no detectable levels of carbon monoxide or other dangerous gases. Other states have given the partners temporary permits.

A world of uses awaits the new technology. Tire burning can provide heat to operate greenhouses or water purification systems. It could potentially heat large buildings.

The company, National Fuel and Energy, has chosen to use the technology for another important environmental project, cleaning up soil contaminated by leaking underground storage tanks or from oils by crude oil drilling.

The first practical use of the idea involved Exxon's drilling in Summit County this year and last. When oil rigs drill through salty layers of earth, the workers must use a lubricant. Through the years, they've settled on a mineral oil mixed with dirt. A project like the one in Summit County would normally use about 400,000 gallons of lubricant, but National Fuel and Energy cut the usage to only 100,000 gallons—and only 30,000 of those gallons stayed in the ground, a decrease of about 370,000 gallons from the norm. The savings to Exxon was roughly \$2 million, Cox said. It also was a benefit to the environment.

The company based this idea on the same principal as burning the tires: If you can keep oxygen away from the oil in the dirt, it won't burn when you heat it.

This makes it all surprisingly simple. Essentially, it works the same way as boiling dirty water. The water evaporates as steam and leaves a pile of dirt. Collect the steam, let it cool and you have a pail or water next to the dirt. Similarly, using the heat from burning tires, the company puts the oily mud in a long cylindrical device that turns inside a drum surrounded by a column of hot air. The oil vaporizes, separating oil and dirt, after which the oil is once again condensed.

NF&E is already helping the American Telephone and Telegraph Co. to clean some of its contaminated sites near Delta, where

AT&T used diesel fuel in underground tanks to run machines needed for old cross-country phone lines.

State of Utah officials were so impressed by Cox's idea that the company received a Resolution of Commendation for Earth Day on April 28.

Cox pauses to think of what he has done, and smiles. Finding innovative ways to take care of the Earth will be "my contribution" to the world, he says.

MAJ. GEN. ROBERT PARKER

Mr. HATCH. Mr. President, I rise to recognize Maj. Gen. Robert W. Parker, U.S. Air Force, as he relinquishes command of the On-Site Inspection Agency and takes up his new duties as Director of Operations at the U.S. Air Force Space Command.

The On-Site Inspection Agency [OSIA] is a joint-service Department of Defense organization responsible for implementing inspection, escort, and monitoring requirements under the verification provisions of international arms control treaties. With headquarters located at Washington-Dulles International Airport, the Agency has field offices at Travis Air Force Base, CA; Yokota Air Base, Japan; Rhein-Main Air Base, Germany; the United States Embassy, Moscow; Votkinsk, Russia; and Magna, UT. Approximately 750 men and women from the U.S. Army, Air Force, Marines, and the Federal civil service are assigned to OSIA.

In June, we marked the fifth anniversary of the entry-into-force of the Intermediate-Range Nuclear Forces [INF] Treaty, which called for the elimination of an entire class of nuclear-capable missiles. The terms of the INF Treaty called for a unique form of inspection called portal monitoring. Continuous portal monitoring is conducted on a round-the-clock basis at the Votkinsk Machine Building in the Udmurt Republic of the Russian Federation, former site of SS-20 production, and at the Hercules Bacchus Plant in Magna, UT, former site of Pershing missile rocket motor production. Under the escort supervision of the OSIA detachment in Magna, the Soviets, now the Russians, have had continuous presence of up to 30 inspectors in my State since July 2, 1988. Magna has accepted these inspectors and provided them with opportunities to participate in a variety of community cultural, and educational events. I am proud that my fellow Utahns have extended such hospitality, but that is typical of the people of my home State.

Under the exemplary leadership of General Parker, the OSIA has expanded its original mission of implementing the INF Treaty to encompass other international arms control agreements, including nuclear testing treaties, Conventional Armed Forces in Europe Treaty, Strategic Arms Reduction Treaty, Open Skies Treaty, and Chemical Weapons Agreements. OSIA also is

the executive agent for Defense Department support to the United Nations Special Commission on Iraq and assists the State Department in providing humanitarian aid to the peoples of the former Soviet Union as part of Operation Provide Hope.

General Parker has served his country with loyalty and skill as an Air Force officer for nearly 30 years. Commissioned a second lieutenant, he began his service in the strategic missile career field as a missile combat crew member. He served as both an instructor and evaluator in the Minuteman weapons system. In July 1967, he was certified combat ready on the first airborne launch control system missile crew, later serving as an airborne launch control system instructor and chief of SAC's airborne launch control system. Other assignments included Headquarters, Strategic Air Command; Headquarters, U.S. Air Force; wing commander of Malmstrom Air Force Base, MT; and, as senior military advisor to the director, U.S. Arms Control and Disarmament Agency.

General Parker took command of the On-Site Inspection Agency on January 25, 1991, and he can be justifiably proud of all the OSIA has achieved during his tenure. I will miss his connection to Utah through the OSIA, but certainly join in saluting him for his past success and in wishing him well in his new position.

TRIBUTE TO FORMER FIRST LADY PAT NIXON

Mrs. HUTCHISON. Mr. President, I rise today to pay tribute to a very special American—Patricia Ryan Nixon, who served with great dignity and distinction as our Nation's First Lady.

Pat Nixon's 81 years of life can best be described as selfless. Growing up during the Depression on a farm in California, the daughter of an Irish-American father and a German immigrant mother, she knew much of hardship and sheer sacrifice. At the age of 12, she lost her mother to cancer. Five years later, she lost her father to black lung. During these illnesses, Pat took care of her parents and two brothers. Later, she worked her way through the University of Southern California and graduated cum laude. It was this fighting spirit that would mark her entire life.

Pat Nixon never wanted a public life, but her husband did. She went along willingly and put her best foot forward. Pat Nixon was loved by Americans as gracious, tactful, loyal, and practical. People found her quiet efficiency reassuring. Richard and Pat Nixon were a team. In his campaign speeches he would refer to Pat as, "my right hand man." Richard Nixon dedicated his book, "Six Crises," "To Pat; she also ran."

Pat Nixon became our Nation's First Lady in 1969. She expanded the role of

First Lady as a goodwill Ambassador and foreign emissary. In 1970 she warmed the strained relationship between the United States and Peru by traveling to towns destroyed by earthquakes, delivering aid and supplies to the survivors. At home she was known to meet with demonstrators in riot-torn areas and to listen to hostile students on college campuses.

Pat Nixon stood behind her husband during the trying Watergate period. After his Presidency was over, she returned to private life with her husband and devoted herself to the family that she loved so much.

Mr. President, it is with tremendous respect and gratitude that I take this moment to recognize the important role that Pat Nixon played in our country's history. She was a pillar of grace, poise, and strength during some of our Nation's most tumultuous times. Pat Nixon, in her own way, played an important role in the history of the latter half of the 20th century. She will be missed.

S. 185, THE HATCH ACT REFORM AMENDMENTS OF 1993

Mr. GORTON. Mr. President, I will vote for, S. 185, the Hatch Act reform amendments, as it has been amended by the Senate. Although I continue to have real reservations with the bill, the version on which we are about to vote has been altered significantly enough to make it acceptable.

The debate which has played out on the Senate floor over the past several days has been extremely interesting. Proponents have argued that current law unfairly bans Federal employees from voluntarily participating in activities protected by the Constitution. They say that it is unconscionable to deny these employees the choice that every other American citizen enjoys—whether voluntarily to participate in partisan politics. This argument has significant merit.

In the past, however, that argument has always been outweighed by the legitimate concerns over keeping the Federal bureaucracy neutral and non-partisan and protecting its people from political pressure and manipulation. That was the case with the legislation that the Congress considered in the 101st session. I voted against that bill because it did not strike an acceptable balance between two legitimate positions.

The bill recently passed by the House of Representatives is equally unacceptable. That version will allow Federal employees to solicit contributions from the general public and allow them to run for partisan elective local office. Even the bill reported by the Governmental Affairs Committee went too far in trying to strike a balance between citizen involvement and maintaining an effective and neutral Federal bureaucracy.

Some of my fears, however, were allayed when S. 185 was altered to reflect several amendments proposed by Republican Senators. These amendments will keep the existing rules in place for the Senior Executive Service, administrative law judges, boards of contract appeals, and some of the most sensitive Government posts and agencies, like the Federal Bureau of Investigations and the Internal Revenue Service's criminal investigative office.

With these amendments in place, I believe S. 185 strikes a much more acceptable balance between allowing for citizen involvement in politics and maintaining a neutral civil service. It is only with these amendments in place that I find myself able to vote for the bill.

I wish to make very clear, however, that I intend to vote against the conference report if it strays from the Senate version. Under those circumstances, it will clearly be unacceptable.

CHANGE IN VOTE

Mrs. BOXER. Mr. President, I would like to ask unanimous consent that I be permitted to change a vote which I cast earlier on vote No. 198 from nay to aye. This change will not alter the outcome of the vote.

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

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 103-9

Mr. MITCHELL. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from an amendment to Montreal Protocol on Substances That Deplete the Ozone Layer, Treaty Document 103-9, transmitted to the Senate by the President today; and ask the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer ("Montreal Protocol"), adopted at Copenhagen on November 23-25, 1992, by the Fourth Meeting of the Parties to the Montreal Protocol. I am also enclosing, for the information of the Senate: the adjustments, also adopted November 23-25, 1992, that accelerate the respective

phaseout schedules for substances already controlled under the Protocol (chlorofluorocarbons (CFCs), halons, other fully halogenated CFCs, methyl chloroform, and carbon tetrachloride); and the report of the Department of State.

The principal feature of the Amendment that was negotiated under the auspices of the United Nations Environment Program (UNEP), is the addition of new controlled substances, namely hydrochlorofluorocarbons (HCFCs), hydrobromofluorocarbons (HBFCs), and methyl bromide. The Amendment, coupled with the adjustments, will constitute a major step forward in protecting public health and the environment from potential adverse effects of stratospheric ozone depletion.

The Amendment will enter into force on January 1, 1994, provided that 20 Parties to the Montreal Protocol have deposited their instruments of ratification, acceptance, or approval. Early ratification by the United States is important to demonstrate to the rest of the world our commitment to protection and preservation of the stratospheric ozone layer and will encourage the wide participation necessary for full realization of the Amendment's goals.

I recommend that the Senate give early and favorable consideration to the Amendment and give its advice and consent to ratification.

WILLIAM J. CLINTON.
THE WHITE HOUSE, July 20, 1993.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of Calendar Order Nos. 130 and 131; that the committee amendments, where appropriate, be agreed to; that the bills be deemed read three times, passed, and the motion to reconsider the passage of these measures laid upon the table, en bloc; further, that the consideration of these items appear individually in the RECORD and any statements relative to these calendar items appear at the appropriate place in the RECORD.

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

INDIAN DAMS SAFETY ACT OF 1993

The bill (S. 442) to provide for the maintenance of dams located on Indian lands by the Bureau of Indian Affairs through contracts with Indian tribes was considered, ordered to be engrossed for a third reading, was deemed read the third time and passed; as follows:

S. 442

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 "Indian Dams Safety Act of 1993".

SEC. 2. FINDINGS.

The Congress finds that—

(1) in 1980, the Secretary of the Interior established a department-wide dam safety program to correct deficiencies identified by inspections of dams;

(2) the Bureau of Indian Affairs (hereafter referred to in this Act as the "BIA") did not make timely progress toward accomplishing the objectives of the dam safety program and, as a result, 53 dams on Indian lands are considered to present a high hazard to human life in the event of failure;

(3) unsafe BIA dams continue to pose an imminent threat to people and property because the dam safety program has not been given a sufficiently high priority either by the BIA or by the Congress;

(4) until 1991, the BIA did not have an adequate program to ensure proper periodic maintenance of dams under its jurisdiction and structural problems have often led to seepage and accelerated bank erosion, as well as other unsafe conditions;

(5) safe working dams are necessary on Indian lands to supply irrigation water, to provide flood control, to provide water for municipal, industrial, domestic, livestock, and recreation uses, and for fish and wildlife habitats;

(6) because of inadequate attention in the past to regular maintenance requirements for BIA dams, the costs for needed repairs and future maintenance are significantly increased;

(7) many dams have operation and maintenance deficiencies regardless of their current safety condition classification and the deficiencies must be corrected to avoid future threats to human life and property; and

(8) it is necessary to institute a regular dam maintenance and repair program, utilizing expertise either within the BIA, the Indian tribal governments, or other Federal agencies.

SEC. 3. DEFINITIONS.

For the purposes of this Act:

(1) INDIAN TRIBES.—The term "Indian tribes" has the meaning given such term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) DAM SAFETY PROGRAM.—The term "dam safety program" means the program established by the Secretary of the Interior by order dated February 28, 1980, to prevent dam failure and the resulting loss of life or serious property damage.

(4) DAM SAFETY OPERATION AND MAINTENANCE PROGRAM.—The term "dam safety operation and maintenance program" means the program established under section 4 of this Act.

(5) DAM SAFETY CONDITION CLASSIFICATIONS.—The term "dam safety condition classifications" means the following classifications cited in the Bureau of Reclamation glossary of dam safety terms:

(A) SATISFACTORY.—No existing or potential dam safety deficiencies are recognized. Safe performance is expected under all anticipated conditions.

(B) FAIR.—No existing dam safety deficiencies are recognized for normal loading conditions. Infrequent hydrologic or seismic events would probably result in a dam safety deficiency.

(C) CONDITIONALLY POOR.—A potential dam safety deficiency is recognized for unusual loading conditions that may realistically occur during the expected life of the structure.

(D) POOR.—A potential dam safety deficiency is clearly recognized for normal loading conditions. Immediate actions to resolve the deficiency are recommended; reservoir restrictions may be necessary until resolution of the problem.

(E) UNSATISFACTORY.—A dam safety deficiency exists for normal loading conditions. Immediate remedial action is required for resolution of the problem.

SEC. 4. ACTIONS BY SECRETARY.

(a) ESTABLISHMENT OF DAM SAFETY OPERATION AND MAINTENANCE PROGRAM.—The Secretary shall establish a dam safety operation and maintenance program within the BIA to ensure the regular, recurring, routine maintenance, examination, and monitoring of the condition of each dam identified pursuant to subsection (c) necessary to maintain the dam in a satisfactory condition on a long-term basis.

(b) REHABILITATION.—The Secretary is directed to perform such rehabilitation work as is necessary to bring the dams identified pursuant to subsection (c) to a satisfactory condition. Upon the completion of rehabilitation work on each dam, the dam shall be placed under the dam safety operation and maintenance program established pursuant to subsection (a) and shall be regularly maintained under the guidelines of such program.

(c) LIST OF DAMS.—The Secretary shall develop a comprehensive list of dams located on Indian lands that describes the dam safety condition classifications of each dam, as such terms are defined in section 3(5).

(d) PURPOSE.—Work authorized by this Act shall be for the purposes of dam safety operation and maintenance and not for the purposes of providing additional conservation storage capacity or developing benefits beyond those provided by the original dams and reservoirs.

(e) TECHNICAL ASSISTANCE.—To carry out the purposes of this Act, the Secretary may obtain technical assistance from agencies in addition to the BIA under his jurisdiction, such as the Bureau of Reclamation, or from other departments through memoranda of understanding, such as the Department of Defense. Notwithstanding any such technical assistance, the dam safety program and the dam safety operation and maintenance program shall remain under the direction of the BIA.

(f) CONTRACT AUTHORITY.—In addition to any other authority established by law, the Secretary is authorized to contract with appropriate Indian tribes to carry out the dam safety operation and maintenance program established pursuant to this Act.

SEC. 5. AUTHORIZATION.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

INDIAN ENVIRONMENTAL GENERAL ASSISTANCE PROGRAM ACT

The Senate proceeded to consider the bill (S. 654) to amend the Indian Environmental General Assistance Program Act of 1992 to extend the authorization of appropriations, which had been reported from the Committee on Indian Affairs, with amendments; as follows:

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

S. 654

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

SECTION 1. EXTENSION OF AUTHORIZATION.

[Section 502] Subsection (h) of the Indian Environmental General Assistance Program Act of 1992 (42 U.S.C. 4368b(h)) is amended by striking "and 1994" and inserting ", 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003".

SEC. 2. REPORT TO CONGRESS.

The Indian Environmental General Assistance Program Act of 1992 (42 U.S.C. 4368b) is amended by adding at the end the following:

"(i) REPORT TO CONGRESS.—The Administrator shall transmit an annual report to the Congress describing—

"(1) which Indian tribes or intertribal consortia have been granted approval by the Administrator pursuant to law to enforce certain environmental laws:

"(2) the effectiveness of any such enforcement; and

"(3) any conflicts that may have arisen regarding private property due to such enforcement."

Mr. MCCAIN. Mr. President, I introduced S. 654 on March 25, 1993 along with Senators INOUE, CAMPBELL, and SIMON whom I want to thank for their assistance and support. If enacted, the bill would extend the authorization for the Indian Environmental General Assistance Program Act (P.L. 102-497, 106 Stat. 3258, 42 U.S.C. 4368b) from fiscal years 1993 and 1994 to fiscal year 2003.

As enacted in late 1992, the act provided authorization for appropriations to the Environmental Protection Agency of \$15 million per year for the 1993 and 1994 fiscal years. At the time of enactment, the Congress had already completed action on fiscal year 1993 appropriations for EPA. In effect, this means that the Act authorized appropriations for only the 1994 fiscal year. S. 654 would correct this situation by authorizing appropriations of \$15 million per year through fiscal year 2003.

The Indian Environmental General Assistance Program Act is intended to correct a serious deficiency in Federal efforts to ensure environmental quality on Indian lands. Over the past 20 years the Federal Government has provided billions of dollars to the States to enable the States to establish laws and programs to protect the environment. It has only been in recent years that the Congress and EPA have begun to provide a role for tribal governments in the Federal environmental regulatory framework.

The act provides EPA with the authority to award grants to Indian tribal governments to build their capacity to develop and establish their environmental protection programs. Under the act, EPA and the tribal governments have the flexibility to tailor grants to the specific needs of each tribal government. These grants will enable tribal governments to develop the technical, legal and administrative infrastructure necessary for effective environmental regulation. Grant awards

made under the act are in addition to and do not supplant awards which may otherwise be made to a tribal government for program specific purposes. One of the primary objectives of the act is to promote the development of multimedia environmental programs by tribal governments. For many tribal governments, multimedia programs made good sense for fiscal and administrative reasons.

The act was supported by EPA and was developed along the lines of a small, but successful multimedia grant pilot project that EPA administered for several years. While the administration has not taken any formal position on S. 654, EPA is in the process of developing regulations to implement the act and the President has requested \$7.5 million for implementation in fiscal year 1994.

Mr. President, I urge all of my colleagues to support S. 654 and to join with us in assisting tribal governments to become full partners in Federal environmental regulatory efforts.

So the bill (S. 654), as amended, was deemed read three times and passed, as follows:

S. 654

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

SECTION 1. EXTENSION OF AUTHORIZATION.

Subsection (h) of the Indian Environmental General Assistance Program Act of 1992 (42 U.S.C. 4368b(h)) is amended by striking "and 1994" and inserting ", 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003".

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"(1) which Indian tribes or intertribal consortia have been granted approval by the Administrator pursuant to law to enforce certain environmental laws:

"(2) the effectiveness of any such enforcement; and

"(3) any conflicts that may have arisen regarding private property due to such enforcement."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

CONCERNING EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF BULGARIA—MESSAGE FROM THE PRESIDENT—PM 32

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

On June 3, 1993, I determined and reported to the Congress that Bulgaria is in full compliance with emigration criteria of the Jackson-Vanik amendment to, and Section 409 of, the Trade Act of 1974. This determination allowed for the continuation of most favored nation (MFN) status for Bulgaria without the requirement of an annual waiver.

As required by law, I am submitting an updated formal Report to Congress concerning emigration laws and policies of the Republic of Bulgaria. You will find that the report indicates continued Bulgarian compliance with U.S. and international standards in the areas of emigration and human rights policy.

The Administration intends to propose legislation, which would let me terminate the application of Title IV of the Trade Act of 1974 to Bulgaria.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 20, 1993.

CONTINUATION OF THE IRAQI EMERGENCY—MESSAGE FROM THE PRESIDENT—PM 33

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1993, to the Federal Register for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to U.S. interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the

United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Iraq.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 20, 1993.

REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1990—MESSAGE FROM THE PRESIDENT—PM 34

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Agriculture, Nutrition and Forestry:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for fiscal year 1990.

WILLIAM J. CLINTON.

The White House, July 20, 1993.

REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1991—MESSAGE FROM THE PRESIDENT—PM 35

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Agriculture, Nutrition and Forestry:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for fiscal year 1991.

WILLIAM J. CLINTON.

The White House, July 20, 1993.

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of January 5, 1993, the Secretary of the Senate, on July 16, 1993, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill and joint resolution:

S. 20. An Act to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes; and

H.J. Res. 190. Joint resolution designating July 17 through July 23, 1993, as "National Veterans Golden Age Games Week."

Under the authority of the order of January 5, 1993, the enrolled bill and joint resolution were signed on July 16, 1993, during the recess of the Senate, by the President pro tempore (Mr. BYRD).

MESSAGES FROM THE HOUSE

At 4:35 p.m. a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 631. An Act to designate certain lands in the State of Colorado as components of the National Wilderness Preservation System, and for other purposes.

H.R. 1305. An Act to make boundary adjustments and other miscellaneous changes to authorities and programs of the National Park Service.

H.R. 1631. An Act to amend title 11, District of Columbia Code, to increase the maximum amount in controversy permitted for cases under the jurisdiction of the Small Claims and Conciliation Branch of the Superior Court of the District of Columbia.

H.R. 1632. An Act to amend title 11, District of Columbia Code, and Part C of title IV of the District of Columbia Self-Government and Governmental Reorganization Act to remove gender-specific references.

H.R. 2520. An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes.

The message also announced that the House has passed the following bill; without amendment:

S. 20. An Act to provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 631. An act to designate certain lands in the State of Colorado as components of the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1305. An act to make boundary adjustments and other miscellaneous changes to authorities and programs of the National Park Service; to the Committee on Energy and Natural Resources.

H.R. 1631. An act to amend title 11, District of Columbia Code, to increase the maximum amount in controversy permitted for cases under the jurisdiction of the Small Claims and Conciliation Branch of the Superior Court of the District of Columbia; to the Committee on Governmental Affairs.

H.R. 1632. An act to amend title 11, District of Columbia Code, and Part C of title IV of the District of Columbia Self-Government and Governmental Reorganization Act to remove gender-specific references; to the Committee on Governmental Affairs.

H.R. 2520. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on July 1, 1993, he presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 88. Joint resolution to designate July 1, 1993, as "National NYSP Day."

EXECUTIVE AND OTHER
COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1106. A communication from the Secretary of Labor transmitting, pursuant to law, the Department's annual report for the period October 1, 1991 to September 30, 1992; to the Committee on Labor and Human Resources.

EC-1107. A communication from the Secretary of Labor transmitting, pursuant to law, a report relative to employers' authorized use of a training wage; to the Committee on Labor and Human Resources.

EC-1108. A communication from the Acting Senior Deputy Chairman of the National Endowment for the Arts, transmitting, pursuant to law, the annual report on the Arts and Artifacts Indemnity Program for fiscal year 1992; to the Committee on Labor and Human Resources.

EC-1109. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report relative to the audit of the Student Loan Marketing Association; to the Committee on Labor and Human Resources.

EC-1110. A communication from the Commissioner of the National Center for Education Statistics, transmitting, pursuant to law, the annual statistical report of the Center; to the Committee on Labor and Human Resources.

EC-1111. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to the audit of the Federal Family Education Loan Program; to the Committee on Labor and Human Resources.

EC-1112. A communication from the Chairman of the College Construction Loan Insurance Association, transmitting, pursuant to law, the annual report of the Association for 1992; to the Committee on Labor and Human Resources.

EC-1113. A communication from the Inspector General of the National Endowment for the Arts transmitting, pursuant to law, an internal audit report relative to restrictions in lobbying; to the Committee on Governmental Affairs.

EC-1114. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, a report on the Judicial Retirement System; to the Committee on Governmental Affairs.

EC-1115. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the semiannual report of the Inspector General; to the Committee on Governmental Affairs.

EC-1116. A communication from the U.S. Special Counsel, transmitting, pursuant to law, the Counsel's report to Congress for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1117. A communication from the Acting Director of the United States Information Agency, transmitting, pursuant to law, the Inspector General's semiannual report for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1118. A communication from the Director of the Armed Forces Retirement Home, transmitting, pursuant to law, the annual report for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1119. A communication from the Director, Office of Financial Management, General Accounting Office, transmitting, pursuant to law, the annual report of the Comptrollers General Retirement System; to the Committee on Governmental Affairs.

EC-1120. A communication from the Chairman of the Federal Housing Finance Board, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1121. A communication from the Chief Financial Officer of the Export-Import Bank of the United States, transmitting, pursuant to law, the annual report of the Bank; to the Committee on Governmental Affairs.

EC-1122. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the Agency's reports to Congress for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1123. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to the audit of the D.C. public school system; to the Committee on Governmental Affairs.

EC-1124. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to the audit of the D.C. public schools internal accounting system; to the Committee on Governmental Affairs.

EC-1125. A communication from the Federal Co-Chairman of the Appalachian Regional Commission, transmitting, pursuant to law, the semiannual report of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1126. A communication from the Chairman and President of the National Railway Passenger Corporation, transmitting, pursuant to law, the Corporation's second annual management report; to the Committee on Governmental Affairs.

EC-1127. A communication from the Chairman of the Federal Housing Finance Board, transmitting, pursuant to law, the Board's annual report for the period August 9, 1989 through December 31, 1992.

EC-1128. A communication from the Chairman of the United States Securities and Exchange Commission, transmitting, pursuant to law, the Commission's annual report on its Competition Advocacy Program for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1129. A communication from the Inspector General, United States Department of Commerce, transmitting, pursuant to law a report relative to the Department's compliance with the Byrd Amendment; to the Committee on Governmental Affairs.

EC-1130. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the Commission's report on final actions for the period ending March 31, 1993; to the Committee on Governmental Affairs.

EC-1131. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report relative to the contracting for the rebuilding of Kuwait; to the Committee on Governmental Affairs.

EC-1132. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to the assignment of General Accounting Office employees to congressional committees; to the Committee on Governmental Affairs.

EC-1133. A communication from the Acting Director of the Federal Domestic Volunteer

Agency, transmitting, pursuant to law, two semiannual reports of the Inspector General for the six month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-1134. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relative to the valuation of the U.S. Coast Guard Military Retirement System; to the Committee on Governmental Affairs.

EC-1135. A communication from the Chairman of the Administrative Conference of the United States, transmitting, pursuant to law, a report relative to the reauthorization of the Conference; to the Committee on Governmental Affairs.

EC-1136. A communication from the Chairman of the Federal Labor Relations Authority, transmitting, pursuant to law, a draft of proposed legislation to provide for a pay adjustment for the Chairman, Members, and General Counsel of the Federal Labor Relations Authority; to the Committee on Governmental Affairs.

EC-1137. A communication from the Chairman of the Federal Housing Finance Board, transmitting, pursuant to law, a report relative to the management reports of certain Federal Home Loan Banks; to the Committee on Governmental Affairs.

EC-1138. A communication from the Secretary of Labor, transmitting, pursuant to law, the semiannual report of the Pension Benefit Guaranty Corporation; to the Committee on Governmental Affairs.

EC-1139. A communication from the Acting Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-41 adopted by the Council on June 1, 1993; to the Committee on Governmental Affairs.

EC-1140. A communication from the Acting Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-40 adopted by the Council on June 1, 1993; to the Committee on Governmental Affairs.

EC-1141. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to cost overruns in the sewer system; to the Committee on Governmental Affairs.

EC-1142. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to the water and sewer enterprise fund; to the Committee on Governmental Affairs.

EC-1143. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to a review of Department of Public Works contracts; to the Committee on Governmental Affairs.

EC-1144. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to a review of allegations regarding a UDC employee; to the Committee on Governmental Affairs.

EC-1145. A communication from the Chairman of the Consumer Products Safety Commission, transmitting, pursuant to law, the semiannual report of the Inspector General for the period October 1, 1993 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1146. A communication from the Senior Attorney of the Copyright Office, transmitting, pursuant to law, a report relative to the Office's Freedom of Information Act activities for calendar year 1992; to the Committee on Governmental Affairs.

EC-1147. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, a report relative to the Commission's implementation of the Government in the Sunshine

Act; to the Committee on Governmental Affairs.

EC-1148. A communication from the Secretary of Commerce, transmitting, pursuant to law, two reports relative to the audits of the Inspector General; to the Committee on Governmental Affairs.

EC-1149. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, a report relative to audit resolution and management; to the Committee on Governmental Affairs.

EC-1150. A communication from the Chairman of the Board of the National Credit Union Administration, transmitting, pursuant to law, a report relative to the adjustment or establishment of schedules of compensation; to the Committee on Governmental Affairs.

EC-1151. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, a report regarding the Corporation's compliance with the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1152. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the Commission's Inspector General report for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1153. A communication from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, a report relative to the Board's implementation of the Government in the Sunshine Act for calendar year 1992; to the Committee on Governmental Affairs.

EC-1154. A communication from the Executive Director of the Federal Labor Relations Authority, transmitting, pursuant to law, a report relative to the Agency's implementation of the Government in the Sunshine Act during calendar years 1990, 1991, and 1992; to the Committee on Governmental Affairs.

EC-1155. A communication from the Secretary of Labor, transmitting, pursuant to law, the semiannual report of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1156. A communication from the Attorney General of the United States, transmitting, pursuant to law, the semiannual management report for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1157. A communication from the Attorney General of the United States, transmitting, pursuant to law, the annual report of the Federal Prison Industries, Inc for calendar year 1992; to the Committee on Governmental Affairs.

EC-1158. A communication from the President of the National Endowment for Democracy, transmitting, pursuant to law, an internal audit report for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1159. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, a report relative to the Commission's compliance with the Government in the Sunshine Act for calendar year 1992; to the Committee on Governmental Affairs.

EC-1160. A communication from the Director of the Information Security Oversight Office, transmitting, pursuant to law, the Office's "Report to the President for fiscal year 1992"; to the Committee on Governmental Affairs.

EC-1161. A communication from the Secretary of Housing and Urban Development,

transmitting, pursuant to law, the management report for the Government National Mortgage Association for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1162. A communication from the Interim CEO of the Resolution Trust Corporation, transmitting, pursuant to law, the Corporation's management report for calendar year 1992; to the Committee on Governmental Affairs.

EC-1163. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the semiannual report of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1164. A communication from the Acting Director of the Office of Personnel Management, transmitting, pursuant to law, a report of altered Privacy Act systems; to the Committee on Governmental Affairs.

EC-1165. A communication from the Administrator of the Small Business Administration, transmitting, pursuant to law, the semiannual report of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1166. A communication from the Assistant Secretary (Legislative Affairs), Department of State, transmitting, pursuant to law, a report on the creation of a new system of records; to the Committee on Governmental Affairs.

EC-1167. A communication from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the semiannual report of the Inspector General for the six month period ending March 31, 1993 and the management response of the Commission; to the Committee on Governmental Affairs.

EC-1168. A communication from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission with respect to the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1169. A communication from the Executive Director of the Interstate Commerce Commission on the Potomac River Basin, transmitting, pursuant to law, the Commission's financial statement for the period October 1, 1992 through September 30, 1993; to the Committee on Governmental Affairs.

EC-1170. A communication from the Board Members of the Railroad Retirement Board, transmitting, pursuant to law, an annual report with respect to the Board's compliance with the Government in the Sunshine Act for calendar year 1991; to the Committee on Governmental Affairs.

EC-1171. A communication from the Chief Executive Officer, Postmaster General of the U.S. Postal Service, transmitting, pursuant to law, the annual report of the Postmaster General for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1172. A communication from the Acting Director of the Peace Corps, transmitting, pursuant to law, the semiannual report of the Inspector General for the period October 1, 1992, through March 31, 1993; to the Committee on Governmental Affairs.

EC-1173. A communication from the Acting President and Chief Executive Officer of the Overseas Private Investment Corporation, transmitting, pursuant to law, the Commission's annual management report for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1174. A communication from the Chairman of the Merit Systems Protection Board,

transmitting, pursuant to law, a report describing the appeals to the Board; to the Committee on Governmental Affairs.

EC-1175. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the Board's annual report with respect to the Government in the Sunshine Act for calendar year 1992; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following report of committee was submitted:

By Mr. BYRD, from the Committee on Appropriations:

Special Report entitled "Revised Allocations to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1994" (Rept. No. 103-99).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

H.R. 843. A bill to withdraw certain lands located in the Coronado National Forest from the mining and mineral leasing laws of the United States, and for other purposes (Rept. No. 103-100).

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 24. A bill to reauthorize the independent counsel law for an additional 5 years, and for other purposes (Rept. No. 103-101).

By Mr. BUMPERS, from the Committee on Appropriations, with amendments:

H.R. 2493. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1994, and for other purposes (Rept. No. 103-102).

By Mr. REID, from the Committee on Appropriations, with amendments:

H.R. 2348. A bill making appropriations for the Legislative Branch for the fiscal year ending September 30, 1994, and for other purposes (Rept. No. 103-103).

By Mr. KOHL, from the Committee on Appropriations, with amendments:

H.R. 2492. A bill 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, 1994, and for other purposes (Rept. No. 103-104).

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EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, from the Committee on Armed Services:

John H. Dalton, of Texas, to be Secretary of the Navy, vice Sean Charles O'Keefe, resigned.

Printed report (Ex. Rept. 103-4) on above nomination filed by Mr. NUNN, Committee on Armed Services.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. D'AMATO:

S. 1257. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide death benefits to retired public safety officers; to the Committee on the Judiciary.

S. 1258. A bill for the relief of the estate of Irwin Rutman; to the Committee on the Judiciary.

By Mr. SIMON (for himself and Ms. MOSELEY-BRAUN):

S. 1259. A bill to amend chapter 93 of title 31, United States Code, to provide additional requirements for a surety corporation to be approved by the Secretary of the Treasury, to provide for equal access to surety bonding, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAHAM:

S. 1260. A bill to provide that certain service in the American Field Service ambulance corps shall be considered active duty for the purposes of all laws administered by the Secretary of Veterans Affairs; to the Committee on Veterans Affairs.

By Mr. PELL (by request):

S. 1261. A bill to authorize appropriations for fiscal years 1994 and 1995 for the Board for International Broadcasting, and for other purposes; to the Committee on Foreign Relations.

S. 1262. A bill to reorganize United States international broadcasting, to authorize an Asian Democracy Radio service, and for other purposes; to the Committee on Foreign Relations.

By Mr. HARKIN (for himself and Mr. CONRAD):

S. 1263. A bill to provide disaster assistance to agricultural producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. D'AMATO:

S. 1264. A bill to amend the Foreign Assistance Act of 1961 to authorize the Overseas Private Investment Corporation to issue loan guarantees for development projects in Ireland; to the Committee on Foreign Relations.

By Mrs. MURRAY (for herself and Mr. HATFIELD):

S. 1265. A bill to amend the Export Administration Act of 1979 to extend indefinitely the current provisions governing the export of certain domestically produced crude oil; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MACK (for himself, Mr. BUMPERS, Mr. GRAHAM, Mr. COCHRAN, Mr. PRYOR, and Mr. SASSER):

S. 1266. A bill to amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the Medicaid program, and for other purposes; to the Committee on Finance.

By Mr. HATFIELD:

S. 1267. A bill to amend the Dwight D. Eisenhower Mathematics and Science Education Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WOFFORD:

S. 1268. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to rules governing litigation contesting termination or reduction of retiree health benefits; to the Committee on Labor and Human Resources.

By Mr. LEAHY (for himself and Mr. HARKIN):

S. 1269. A bill to amend the National School Lunch Act to protect school districts and the Department of Agriculture from anti-competitive activities of suppliers that sell commodities to schools that participate in the school lunch program, the school breakfast program, the special milk program, and the summer food service program for children, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. FEINSTEIN (for herself, Mrs. BOXER, Mr. HOLLINGS, Mr. THURMOND, Mr. D'AMATO, and Mr. MOYNIHAN):

S.J. Res. 114. A joint resolution disapproving the recommendations of the Defense Base Closure and Realignment Commission; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO:

S. 1257. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide death benefits to retired public safety officers; to the Committee on the Judiciary.

S. 1258. A bill for the relief of the estate of Irwin Rutman; to the Committee on the Judiciary.

IRWIN RUTMAN RETIRED SAFETY OFFICERS BENEFITS ACT AND PRIVATE RELIEF LEGISLATION

● Mr. D'AMATO. Mr. President, I rise today to introduce the Irwin Rutman Retired Safety Officers Benefits Act. This bill extends death and disability benefits to retired public safety officers who are killed or disabled in the course of attempting to rescue or in responding to a fire or police emergency. These benefits are currently only available to those officers who had been on active duty.

In October 1990, Irwin Rutman, a retired 23-year veteran of the New York City Police Department, witnessed a mugging in a dark Manhattan subway train. After Mr. Rutman immediately attempted to intervene and aid the crime victim, a struggle ensued between Mr. Rutman and the mugger. Mr. Rutman was brutally shot in the head.

He left behind a wife and four young sons. Two sons were in college at the time of his death. Because Mr. Rutman was retired, his family was ineligible to apply for the death benefit funds available under the Public Safety Officers' Benefits Act. If Mr. Rutman had been on active duty, his family would have been eligible for up to \$100,000 in death benefits.

The cost of this provision is negligible. The House Budget Committee has not characterized the budgetary impact as significant. The Congressional Budget Office has advised the House Judiciary Committee that this expansion of benefits would result in direct spending of under \$500,000 annually. Even though the expense of this bill is minimal, it appropriately honors those heroes and their families who deserve our support.

Mr. Rutman's widow, Elaine, believes that, in order to help other families

whose loved ones died or were maimed in acts of bravery, we should name and pass a bill in Mr. Rutman's honor. I agree. Irwin Rutman made the ultimate sacrifice in the battle against crime. This would be a living memorial to a concerned citizen, a good Samaritan, and a police officer who never shed his duty even though he has retired.

Mr. President, I urge my colleagues to support this important legislation.

I ask unanimous consent that a copy of this bill and a bill for the relief of the estate of Irwin Rutman, be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1257

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 "Irwin Rutman Retired Public Safety Officers Death Benefits Act".

SEC. 2. DEATH BENEFITS.

(a) PAYMENTS.—Section 1201 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended—

(1) in subsection (a) by inserting after "line of duty" the following: "or a retired public safety officer has died as the direct and proximate result of a personal injury sustained while responding to a fire, rescue, or police emergency";

(2) in subsection (b) by inserting after "line of duty" the following: "or a retired public safety officer has become permanently and totally disabled as the direct result of a catastrophic injury sustained while responding to a fire, rescue, or police emergency"; and

(3) in subsections (c), (d), and (j) by inserting after "public safety officer" every place it appears the following: "or a retired public safety officer".

(b) LIMITATIONS.—Section 1202 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended—

(1) in paragraph (1) by striking "the public safety officer or by such officer's intention" and inserting "the public safety officer or the retired public safety officer who had the intention";

(2) in paragraph (2) by striking "the public safety officer" and inserting "the public safety officer or the retired public safety officer"; and

(3) in paragraph (3) by striking "the public safety officer" and inserting "the public safety officer or the retired public safety officer".

(c) NATIONAL PROGRAM.—Section 1203 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the period "or retired public safety officers who have died while responding to a fire, rescue, or police emergency".

(d) DEFINITIONS.—Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period and inserting "and" at the end of paragraph (7); and

(3) by adding at the end the following: "(8) 'retired public safety officer' means a former public safety officer, as defined in paragraph (7), who has served a sufficient period of time in such capacity to become vested in the retirement system of a public agency in which the officer was employed and

who retired from such agency in good standing."

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to death or injuries occurring after the date of the enactment of this section.

S. 1258

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

SECTION 1. PUBLIC SAFETY OFFICER DESIGNATION.

For purposes of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.), relating to benefits for survivors of public safety officers, Irwin Rutman of Staten Island, New York, shall be deemed to have been a public safety officer on October 29, 1990, and his family shall be entitled to death benefits under such part.

SEC. 2. LIMITATION OF ATTORNEYS' AND AGENTS FEES.

No amount exceeding 10 percent of a payment made under section 1 may be paid to or received by any attorney or agent for services rendered in connection with the payment. Any person who violates the provisions of this section shall be guilty of an infraction and shall be subject to a fine in the amount provided under title 18, United States Code.

SEC. 3. EFFECTIVE DATE.

The provisions of section 1 shall take effect on the date of the enactment of this Act.●

By Mr. SIMON (for himself and Ms. MOSELEY-BRAUN):

S. 1259. A bill to amend chapter 93 of title 31, United States Code, to provide additional requirements for a surety corporation to be approved by the Secretary of the Treasury, to provide for equal access to surety bonding, and for other purposes; to the Committee on the Judiciary.

EQUAL SURETY BOND OPPORTUNITY ACT OF 1993

● Mr. SIMON. Mr. President, I am pleased to be joined by my distinguished colleague, the junior Senator from Illinois, in introducing the Equal Surety Bond Opportunity Act of 1993. This bill is designed to further equal opportunity for surety bond applicants and to equip bond applicants—particularly small business applicants—with information to help them to strengthen their businesses.

Construction firms must have surety bonds to bid on all Federal projects in excess of \$25,000 and all federally assisted projects in excess of \$100,000. In fact, bonding is now required for most State and local government construction projects and an increasing number of private construction projects. Clearly, access to surety bonding is essential to the livelihood of the majority of construction companies.

Surety bonds ensure that a contractor is capable of completing the specified work and has the financial ability to pay its bills on time. If the bonded contractor fails to complete the project, the surety firm steps in to fulfill the contracts.

Furthermore, surety firms minimize their own risk by determining, before

they issue a bond, whether the applicant is capable of completing the particular project in question. The principal source of bonds—for-profit corporate surety firms—use undisclosed underwriting standards to make this determination. Essentially, they assess an applicant's three C's—cash, capacity to do work, and character. But the personal character of a contractor may be evaluated in a very subjective manner, which can result in discrimination.

Although classified as a type of insurance, these bonds are really more like a line of credit. If a surety firm has to step in to fulfill the bonded company's obligation under a contract, it expects to be reimbursed. Unfortunately, as with other types of lines of credit such as mortgage financing, women and minority contractors face serious problems in obtaining surety bonds. Several relatively recent studies of mortgage lending rates in Detroit, Atlanta, and Washington, DC have revealed a significant race-related mortgage lending gap even after adjusting the data for legitimate business concerns. These studies were based in part on data that banks and other lending institutions are required to report to the Federal Government. Federal law does not require surety firms to report any similar data for applications received or granted.

I sponsored and held hearings on the Equal Surety Bond Opportunity Act in the 102d Congress. Witnesses at that hearing included representatives of the Women Construction Owners and Executives and the National Association of Minority Contractors who testified in support of the bill. According to these witnesses, bond applicants have been rejected simply for being a woman, or being a minority. Clearly, these are unacceptable reasons for rejecting a bond applicant.

The American Subcontractors Association also presented testimony at this hearing. They agreed that women and minority-owned construction companies face special problems in getting bonds, as do many small and emerging construction firms. They noted, however, that all of these companies would benefit if surety companies were required to give an explanation for rejecting a bond application. This would allow them to take corrective action for future applications.

By law, the U.S. Treasury Department maintains a list of federally approved surety firms authorized to issue bonds on Federal projects. My bill, which is modeled after the Equal Credit Opportunity Act, would make it unlawful for a Treasury-approved surety to discriminate against applicants based on race, color, religion, national origin, sex, marital status, or age. Simply put, the bill makes it clear that the three C's cannot be determined by reference to an applicant's race, color, religion, national origin, sex, or marital status.

The bill would also require Treasury-approved firms to provide denied applicants, upon request, full written disclosure of the reasons for their denial. A written explanation will give all construction firms the opportunity to take appropriate corrective action—an opportunity now available to all prospective Federal small business contractors when denied by an agency contracting officer. The written explanation would also help curb denials of bonding based on nonlegitimate reasons.

Again, this legislation will benefit all construction firms. It does not dictate underwriting standards for the surety industry. It does not require sureties to report data on applications received or bonds written. Nor does it inflict onerous regulations on the industry. What it does, however, is give businesses the information they need to improve their businesses. Also, the bill will ensure that surety firms comply with the same nondiscrimination laws that bind banks and other lending institutions. If a surety firm is in compliance with these laws, it has nothing to fear from this legislation.

Mr. President, I urge my colleagues to support this very simple, but important legislation.

I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 1259

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 "Equal Surety Bond Opportunity Act of 1993".

SEC. 2. ADDITIONAL REQUIREMENTS REGARDING APPROVAL OF SURETIES.

(a) **IN GENERAL.**—A company may not be approved as a surety by the Secretary of the Treasury under section 9304 of title 31, United States Code, or provide any surety bond pursuant to such section unless the company maintains full compliance with the requirements of section 9310 of title 31, United States Code.

(b) **REQUIREMENTS RELATING TO ENFORCEABILITY.**—

(1) **SIGNED STATEMENT OF COMPLIANCE WITH APPLICATION.**—Section 9305(a) of title 31, United States Code, is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(3) a statement of compliance with section 9310, which is signed under penalty of perjury by the president and the secretary of the corporation."

(2) **COMPLIANCE AS A CONDITION FOR APPROVAL OF APPLICATION.**—Section 9305(b) of title 31, United States Code, is amended—

(A) by striking "and" at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) the corporation is in full compliance with section 9310."

(3) SIGNED STATEMENT OF COMPLIANCE WITH QUARTERLY REPORTS.—Section 9305(c) of title 31, United States Code, is amended by inserting "and a statement of compliance with section 9310," before "signed and sworn".

(4) ENFORCEMENT AUTHORITY OF SECRETARY OF THE TREASURY.—Section 9305(d) of title 31, United States Code, is amended—

(A) in paragraph (1), by striking "9304 or 9306" and inserting "9304, 9306, or 9310"; and

(B) by striking "and" at the end of paragraph (2);

(C) by striking the period at the end of paragraph (3) and inserting "; and"; and

(D) by adding at the end the following new paragraph:

"(4) may, after the end of the 1-year period beginning on the effective date of any revocation under paragraph (1) of the authority of a surety corporation for noncompliance with section 9310, reauthorize such corporation to provide surety bonds under section 9304."

(5) REVOCATION FOR FAILURE TO PAY CERTAIN JUDGMENTS.—Section 9305(e) of title 31, United States Code, is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph:

"(2) the corporation does not pay a final judgment or order against the corporation for noncompliance with section 9310, or fails to comply with any order under that section; and"

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 9304(a)(3) of title 31, United States Code, is amended by striking "9305 and 9306" and inserting "9305, 9306, and 9310".

SEC. 3. INFORMATION FOR BOND APPLICANTS AND NONDISCRIMINATION.

(a) IN GENERAL.—Chapter 93 of title 31, United States Code, is amended by adding at the end the following new section:

"SEC. 9310. INFORMATION FOR BOND APPLICANTS; NONDISCRIMINATION.

"(a) REASONS FOR ADVERSE ACTION; PROCEDURE APPLICABLE.—

"(1) NOTICE REQUIRED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any surety approved under section 9304 shall notify an applicant for a bid bond, payment bond, or performance bond of its action on a completed application within 10 days of receipt of the application.

"(B) EXTENSION.—The notification required by subparagraph (A) may be furnished within 20 days, if the surety has not issued a bond to the applicant in the preceding 12 months.

"(2) STATEMENT OF REASONS.—

"(A) IN GENERAL.—Each applicant against whom adverse action is taken shall be entitled to a statement of reasons for such action from the surety.

"(B) ACCEPTABLE FORMS OF STATEMENT.—A surety satisfies the requirements of subparagraph (A)—

"(i) by providing a statement of reasons in writing as a matter of course to applicants against whom adverse action is taken; or

"(ii) by giving written notification of adverse action which discloses—

"(I) the applicant's right to a statement of reasons not later than 30 days after receipt by the surety of a written request made by the applicant not later than 60 days after such notification; and

"(II) the identity of the person or office from which such statement may be obtained.

"(C) ORAL STATEMENT PERMITTED.—A required statement of reasons for adverse ac-

tion may be given orally if written notification advises the applicant of the applicant's right to have the statement of reasons confirmed in writing upon the applicant's written request.

"(3) SPECIFICITY OF REASONS.—A statement of reasons meets the requirements of this section only if it contains specific reasons for the adverse action taken.

"(4) APPLICABILITY IN CASE OF THIRD PARTY APPLICATIONS.—In the case of a request to a surety by a third party to issue a bond directly or indirectly to an applicant, the notification and statement of reasons required by this section may be made directly by such surety, or indirectly through the third party, if the identity of the surety is disclosed to the applicant.

"(5) APPLICABILITY IN CASE OF SURETIES WHICH ACCEPT FEW APPLICATIONS.—The requirements of paragraphs (2), (3), and (4) may be satisfied by oral statements or notifications in the case of any surety which acted on not more than 100 applications during the calendar year in which the adverse action is taken.

"(b) NONDISCRIMINATION.—

"(1) ACTIVITIES.—It shall be unlawful for any surety to discriminate against any applicant, with respect to any aspect of a surety bond transaction—

"(A) on the basis of race, color, religion, national origin, sex, marital status, disability, or age (if the applicant has the capacity to contract);

"(B) because the applicant has in good faith exercised any right under this chapter;

"(C) because the applicant previously obtained a bond through an individual or personal surety; or

"(D) because the applicant previously obtained a bond through—

"(i) any bonding assistance program expressly authorized by law;

"(ii) any bonding assistance program administered by a nonprofit organization for its members or an economically disadvantaged class of persons; or

"(iii) any special purpose bonding program offered by a profitmaking organization to meet special needs.

"(2) ACTIVITIES NOT CONSTITUTING DISCRIMINATION.—It shall not constitute discrimination for purposes of this section for a surety—

"(A) to make an inquiry of marital status if such inquiry is for the purpose of ascertaining the surety's rights and remedies applicable to the granting of a bond and not to discriminate in a determination of bondability;

"(B) to make an inquiry of the applicant's age if such inquiry is for the purpose of determining the amount and probable continuance of bondability; or

"(C) to make an inquiry as to where the applicant has previously obtained a bond, in order to determine bonding history, or other pertinent element of bondability, except that an applicant may not be assigned a negative factor or value because such applicant previously obtained a bond through—

"(i) an individual or personal surety;

"(ii) a bonding assistance program expressly authorized by law;

"(iii) any bonding program administered by a nonprofit organization for its members or an economically disadvantaged class of persons; or

"(iv) any special purpose bonding program offered by a profitmaking organization to meet special needs.

"(3) ADDITIONAL ACTIVITIES NOT CONSTITUTING DISCRIMINATION.—It is not a violation of

this section for a surety to refuse to issue a bond pursuant to—

"(A) any bonding assistance program authorized by law for an economically disadvantaged class of persons;

"(B) any bonding assistance program administered by a nonprofit organization for its members or an economically disadvantaged class of persons; or

"(C) any special purpose bonding program offered by a profitmaking organization to meet special needs,

if such refusal is required by or made pursuant to such program."

(b) DEFINITION OF ADVERSE ACTION.—Section 9301 of title 31, United States Code, is amended—

(1) by striking the period at the end of paragraph (1) and inserting a semicolon;

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(3) 'adverse action'—

"(A) means a denial of a bond, a change in the terms of an existing bonding arrangement, or a refusal to issue a bond in the amount or on substantially the terms requested; and

"(B) does not include any refusal to issue an additional bond under an existing bonding arrangement where the applicant is in default, or where such additional bond would exceed a previously established bonding limit."

SEC. 4. CIVIL PENALTIES.

Section 9308 of title 31, United States Code, is amended—

(1) in the first sentence by striking "A surety corporation" and inserting the following:

"(a) LIABILITY TO THE UNITED STATES.—A surety corporation";

(2) in the second sentence by striking "A civil action" and inserting the following:

"(c) JURISDICTION.—A civil action";

(3) in the third sentence by striking "A penalty imposed" and inserting the following:

"(d) EFFECT OF PENALTIES ON CONTRACTS.—A penalty imposed"; and

(4) by inserting after subsection (a) (as designated by paragraph (1)) the following new subsection:

"(b) LIABILITY FOR DISCRIMINATORY ACTION.—Any surety corporation that fails to comply with section 9310(b) shall be liable to the applicant for—

"(1) any actual damage sustained by such applicant (individually or as a member of a class); and

"(2) in the case of any successful action under this subsection, the costs of the action, together with reasonable attorney's fees, as determined by the court."

SEC. 5. REGULATIONS.

The Secretary of the Treasury shall issue such proposed regulations as may be necessary to carry out this Act not later than 270 days after the date of the enactment of this Act. The final regulations shall become effective not later than 1 year after the date of enactment of this Act.

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall become effective on the earlier of—

(1) the effective date of final regulations promulgated pursuant to section 5; or

(2) the end of the 1-year period beginning on the date of enactment of this Act.●

By Mr. GRAHAM:

S. 1260. A bill to provide that certain service in the American Field Service

ambulance corps shall be considered active duty for the purposes of all laws administered by the Secretary of Veterans Affairs; to the Committee on Veterans Affairs.

AMERICAN FIELD SERVICE LEGISLATION

• Mr. GRAHAM. Mr. President, I rise today to introduce legislation which will remedy an inequity suffered by a small but important group of American veterans, members of the American Field Service ambulance corps. All wartime AFS ambulance drivers of World War II rendered service on battlefields in U.S. combat areas, but the Secretary of the Air Force has entitled only 53 percent of the AFS roster to U.S. Army status and veterans' benefits under the provisions of section 401, Public Law 95-202. The disapproved 47 percent of the roster, who enlisted for overseas duty on the same terms, subject to court martial for failing to serve, have been unable to obtain an administrative remedy.

My legislation would provide that any person who was part of the enlisted wartime personnel of the AFS corps and who reported for duty overseas during World War II shall be considered active duty for the purposes of all laws administered by the Secretary of Veterans Affairs. It is similar to legislation introduced in 1992 by Representative JOHN TANNER.

The AFS corps was a prewar American volunteer group of combat ambulance drivers that the U.S. Government sponsored as a wartime service with American and Allied army troops in Africa, Europe, and India-Burma campaigns. Peak deployment overseas was three companies and one half company, totalling 437 ambulances and 891 men.

AFS units deployed on army orders of battle conducted an estimated 714,000 ambulance patient evacuations, which represented aid to 139,500 soldiers hit by enemy fire. More than 11 percent of all wounded Allied ground troops in the Italy and Western Europe campaigns were transported one or more times by AFS drivers.

The principal AFS service evacuated 338,000 American and Allied army soldiers in Italy. This included helping at least 35 percent of the total Allied wounded in the campaign and 20 percent of the U.S. 5th Army wounded. AFS groups provided similar frontline service in North Africa, Western Europe, and India-Burma.

From 1942 to 1945, the AFS ambulance drivers were registered by the State Department under article 10 of the Geneva Red Cross Convention as an American Government responsibility and as members of the American Army medical services. The drivers were attached to Allied army units in this capacity. They also aided Americans and served at all times under U.S. War Department control or U.S. Army command. Secretary of War Stimson personally authorized the AFS service.

In 1945, the U.S. War Department recognized duty performed by AFS personnel as active military service, but in 1946, the Veterans Administration refused to honor this finding. The VA acted to discredit the AFS group, even though AFS men already had been discharged from the Army and Navy, and been granted draft exemption by counting their ambulance service time.

Although 27 AFS drivers were killed by enemy action and 72 were wounded, only 13 received Purple Heart decorations during the war. In June 1989, the Department of the Army authorized retroactive issue of this medal to the other AFS wounded, confirming the wartime view that they served the U.S. Armed Forces.

In December 1989, I presented two Purple Hearts to Cliff Bissler of Stuart, FL, an AFS veteran who sustained disabling wounds in the India-Burma campaign. Mr. Bissler was the first AFS veteran to receive a Purple Heart. At the time, I remarked that I would do all in my power to see that the members of the AFS corps were granted full entitlement as war veterans. It seemed unlikely at that moment that I would need to act further because the Purple Heart awards signed by the Secretary of the Army attested that Cliff Bissler, like the other members of the AFS corps, qualified as serving with the U.S. forces. Sadly, the need for further action remains.

In 1977, Congress passed Public Law 95-202, which granted veterans' status and the right to apply for veterans' benefits to members of several organizations which had not been members of the U.S. Armed Forces. Among these were members of the WAAF, the so-called Flying Tigers, the AFS, the Women Airforce Service Pilots [WASP], and others. Unfortunately, only about 53 percent of the AFS corps were determined to be eligible, because a person had to have served, however briefly, under direct American command. The phrase has been strictly interpreted by the Department of the Air Force to exclude not only Cliff Bissler and his comrades who served in India-Burma, but also AFS men who served in Syria, Egypt, Libya, and under the command of General Eisenhower in Tunisia, Northern Europe, and part of Italy.

The intent of Public Law 95-202 is to remove retroactively all technical obstacles which on past occasions prevented entitlement of the WASP corps and any other similarly situated American group of civilians who rendered actual military service aiding the Armed Forces, specifically groups that previously tried to claim recognition, as WASP and AFS did. The only other essential statutory criteria are the two that DOD agrees the AFS applicants meet: military service and benefit to the Armed Forces. But now the Pentagon claims numerous additional tech-

nical criteria must be met. This creation of new technical obstacles is the antithesis of the law's intent to entitle major service groups which have pre-existing claims of grievances.

Although this is strictly an issue of fairness, rather than cost, it must be noted that in posting notice in the Federal Register of the partial AFS approval, VA stated that the added expenses it incurred through approval of the small AFS group were an insignificant cost to its agency and the Government.

Of the total AFS World War II roster, only about 1,000 individuals lack approval under Public Law 95-202. However, about 40 percent of these total numbers are deceased veterans, and approximately 35 percent of the remainder already are qualified, via other wartime services, for U.S. Army, Navy, or Public Law 95-202 discharges. Thus, the number of AFS veterans who would benefit by additional AFS entitlement is about 475 surviving individuals, of whom not more than 275 are likely to apply for discharges.

This estimate is quite definite, for out of the 1,000 gross number already granted Public Law 95-202 entitlement, scarcely 225 have applied, a number including several survivors of deceased veterans. The principal reason for non-application is "whereabouts unknown." The fact that the average age of AFS veterans now exceeds 70 years also is a factor. Recognition comes too late for many survivors.

The AFS performed unique combat medical missions which were essential to the successful campaigns of the U.S. Army. We must hurry to correct the current inequity in law which denies rightful compensation to Cliff Bissler and other AFS veterans for their brave contributions to victory in World War II. I urge my colleagues to support this long overdue legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1260

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

SECTION. 1. AMERICAN FIELD SERVICE.

Section 401 of the GI Bill Improvement Act of 1977 (38 U.S.C. 106 note) is amended—

(1) in subsection (b), by striking "subsection (a)" each place it appears and inserting "subsections (a) and (d)";

(2) in subsection (c), by striking "subsection (a)" and inserting "subsections (a) and (d)"; and

(3) by adding at the end the following new subsection:

"(d) Notwithstanding any other provision of law, service rendered before August 15, 1945, by any person who was part of the enlisted wartime personnel of the American Field Service ambulance corps and who reported for duty overseas during World War II, shall be considered active duty for the

purposes of all laws administered by the Secretary of Veterans Affairs."•

By Mr. PELL (by request):

S. 1261. A bill to authorize appropriations for fiscal years 1994 and 1995 for the Board for International Broadcasting, and for other purposes; to the Committee on Foreign Relations.

BOARD FOR INTERNATIONAL BROADCASTING ACT,
FISCAL YEARS 1994 AND 1995

Mr. PELL. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for fiscal years 1994 and 1995 for the Board for International Broadcasting, and for other purposes.

This proposed legislation has been requested by the Board for International Broadcasting, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Executive Director of the Board for International Broadcasting, which was received on July 6, 1993.

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

S. 1261

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 "Board for International Broadcasting Act, Fiscal Years 1994 and 1995."

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 287(a)(1)(A)) is amended to read as follows:

"(A) \$220,000,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995 and such additional amounts for each such fiscal year as may be necessary to offset adverse fluctuations in foreign currency exchange rates; and"

BOARD FOR
INTERNATIONAL BROADCASTING,
Washington, DC, May 19, 1993.

Hon. ALBERT GORE, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: I am submitting with this letter proposed legislation amending the Board for International Broadcasting Act of 1973 to authorize appropriations for the Board to carry out its responsibilities as specified in that Act.

The proposed bill provides for authorization of appropriations for the Board's operations for Fiscal Years 1994 and 1995. This legislative proposal is needed to carry out the President's FY 1994 budget plan.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to the Congress and

that its enactment would be in accord with the program of the President.

Sincerely,

MARK G. POMAR,
Executive Director.

By Mr. PELL (by request):

S. 1262. A bill to reorganize United States international broadcasting, to authorize an Asian Democracy Radio service, and for other purposes; to the Committee on Foreign Relations.

UNITED STATES INTERNATIONAL BROADCASTING
ACT OF 1993

Mr. PELL. Mr. President, by request, I introduce for appropriate reference a bill to reorganize U.S. international broadcasting, authorize an Asian Democracy Radio service, and for other purposes.

This proposed legislation has been requested by the U.S. Information Agency and the Board for International Broadcasting, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the section-by-section analysis and the letter from the Director of the U.S. Information Agency and the Chairman of the Board for International Broadcasting, which was received on June 30, 1993.

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

S. 1262

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

SECTION 1. SHORT TITLE.

This title may be cited as the "United States International Broadcasting Act of 1993."

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSES.

The Congress hereby finds and declares—

(a) that U.S. publicly-funded international radio broadcasters—VOA, RFE/RL, Inc., and Radio Marti—have won the attention and respect of millions of listeners, especially in closed societies and emerging democracies, by serving as a consistently reliable and authoritative source of news and information about events in the respective audience areas, as well as in the international community and in the United States;

(b) that the Voice of America (VOA) has built a substantial global listenership by providing full-service programming of high quality about events around the world, significant developments in all countries to which it broadcasts, as well as information about the United States, its policies, institutions and people, consistent with Public Law 94-350;

(c) that the continuation of Radio Free Europe and Radio Liberty broadcasting operating in a manner not inconsistent with the broad foreign policy objectives of the United States and in accordance with high professional standards is in the national interest;

(d) that Radio Marti and Television Marti, continue to broadcast, in a manner not inconsistent with the broad foreign policy of the United States, to Cuba news, commentary, and other information about events in Cuba and elsewhere, and promote the cause of freedom in Cuba;

(e) that the introduction of similar radio broadcasting to the people of Asia in those countries where communications media are not fully developed or free would serve the goals of United States foreign policy by promoting freedom and democracy in those countries;

(f) that it is the policy of the United States to promote the rights of freedom of opinion and expression, including the freedom to seek, receive, and impart information and ideas through any media and regardless of frontiers, in accordance with Article 19 of the Universal Declaration of Human Rights;

(g) that open communication of information and ideas among the peoples of the world contributes to the advances of democracy and international peace, and that promotion of such information is in the interests of the United States;

(h) that the long-range interests of the United States continue to be served by communicating directly with the peoples of the world by radio and television;

(i) that the continuation of all broadcasting carried out prior to the date of enactment of this Act by the United States Information Agency including, but not limited to the Voice of America, Radio Marti, TV Marti, WORLDNET Television and Film Service, all under existing mandates, charters, and authorities is in the national interest; and,

(j) that a reorganization and consolidation of United States non-military international broadcasting will strengthen the capability of such broadcasting to support freedom and democracy around the world and will achieve a more efficient utilization of scarce national resources.

SEC. 3. ESTABLISHMENT OF BROADCASTING BOARD OF GOVERNORS.

(a) ESTABLISHMENT.—

There is hereby established within the United States Information Agency a Broadcasting Board of Governors (hereinafter referred to as the "Board").

(b) COMPOSITION OF THE BOARD.—

The Board shall consist of eight members. The President shall appoint, by and with the advice and consent of the Senate, seven voting members to the Board. The President shall designate one member (other than the Director of the United States Information Agency) as Chairman of the Board. The Director of the United States Information Agency shall be one of the voting members. The Director of the International Broadcasting Bureau, ex officio, shall be a member of the Board, but may not vote in the determinations of the Board.

(c) TERM OF OFFICE.—

The term of office of each member of the Board shall be three years, except that the Director of the United States Information Agency and the Director of the International Broadcasting Bureau of the United States Information Agency shall remain members of the Board during their respective terms of service. The President shall appoint, by and with the advice and consent of the Senate, Board members to fill vacancies occurring prior to the expiration of a term, in which case the members so appointed shall serve for the remainder of such term. Any member whose term has expired may serve until his or her successor has been appointed and qualified.

(d) SELECTION OF BOARD.—

Members of the Board appointed by the President shall be citizens of the United States who are not currently regular full-time employees of the United States Government, except the Director of the United States Information Agency. Such members shall be selected by the President from among Americans distinguished in the fields of mass communications, print, broadcast media or foreign affairs.

(e) COMPENSATION.—

Members of the Board, while attending meetings of the Board or while engaged in duties relating to such meetings or in other activities of the Board pursuant to this section, including travel time, shall be entitled to receive compensation equal to the daily equivalent of the compensation provided for Level IV of the Executive Schedule under Section 5315 of Title 5, United States Code. While away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently: *Provided, however*, that the Director of the United States Information Agency and the Director, International Broadcasting Bureau, United States Information Agency, shall not be entitled to any compensation under this Act, but may be allowed travel expenses as provided in the preceding sentence.

SEC. 4. FUNCTIONS OF THE BOARD.

The Board is authorized:

(a) To provide guidance and oversight to the International Broadcasting Bureau which is authorized to administer Radio Free Europe, Radio Liberty, Voice of America, the Office of Cuban Broadcasting, Asian Democracy Radio, and such services of WORLDNET Television and Film Service as determined by the Board with the concurrence of the Director of the United States Information Agency;

(b) To review and evaluate the mission and operation of the International Broadcasting Bureau and to assess the quality, effectiveness and professional integrity of its programming within the context of the foreign policy objectives of the United States;

(c) To review and evaluate, at least annually, the mix of traditional Voice of America programming and surrogate programming and make recommendations to the President, through the Director of the United States Information Agency, on the addition or deletion of language services;

(d) To undertake such studies as may be necessary to identify areas in which the operations of the International Broadcasting Bureau could be made more efficient and economical;

(e) To report annually to the President, through the Director of the United States Information Agency, summarizing the activities of the Board and evaluating the operations of the International Broadcasting Bureau;

(f) To the extent it deems necessary to carry out the functions under this Act, procure supplies, services and other personal property;

(g) To appoint such staff personnel for the Board as may be necessary, subject to the provisions of Title 5, United States Code, governing appointments in the competitive service, and to fix their compensation in accordance with the provisions of Chapter 51 and Subchapter III of Chapter 53 of such title relating to classification and General Schedule pay rates; and,

(h) To make available for its own use, for official reception and representation ex-

penses not to exceed the current amount authorized for the Board for International Broadcasting, which will not be increased or decreased without the concurrence of the Director of the United States Information Agency and the Chairman of the Board.

SEC. 5. JOURNALISTIC INTEGRITY AND FOREIGN POLICY GUIDANCE.

The Board shall protect the Bureau against political interference with broadcasting. The United States Information Agency will respect the professional independence and integrity of the broadcasting services. The Secretary of State shall provide information and guidance on foreign policy issues to the Director of the United States Information Agency. The Director of the United States Information Agency shall provide guidance on foreign policy issues to the Board members.

SEC. 6. INTERNATIONAL BROADCASTING BUREAU.**(a) ESTABLISHMENT.—**

There is hereby established an International Broadcasting Bureau within the United States Information Agency (hereinafter the "Bureau").

(b) ORGANIZATION OF THE BUREAU.—

The Bureau, in recognition of and to implement the purposes of this Act, will consist of the following separate elements:

(1) Voice of America;

(2) Office of Surrogate Broadcasting;

(3) Such services of the WORLDNET Television and Film Service as determined by the Board within the concurrence of the Director of the United States Information Agency;

(4) Engineering and Technical Operations; and,

(5) Such other elements as the Director of the International Broadcasting Bureau may from time to time establish with the concurrence of the Director of the United States Information Agency and the Board.

(c) ORGANIZATION OF THE OFFICE OF SURROGATE BROADCASTING.—

The Office of Surrogate Broadcasting will administer and oversee Radio Free Europe, Radio Liberty, the Office of Cuba Broadcasting (including Radio Marti and TV Marti), and Asian Democracy Radio, and such other surrogate services as may from time to time be established.

(d) SELECTION OF THE DIRECTOR OF THE BUREAU.—

The Director of the Bureau will be appointed by the Chairman of the Board, in consultation with the Director of the United States Information Agency and with the concurrence of a majority of the Board. The Director of the Bureau shall be entitled to receive compensation at the rate now or hereafter prescribed by law for Level IV of the Executive Schedule.

(e) SEPARATELY IDENTIFIED APPROPRIATION ACCOUNT.—

Funding for the Bureau and the Board shall be provided in a separately identified appropriation account and be authorized as a separate category by the Congress. The Director of the Bureau shall submit proposals on appropriation of broadcasting funds to the Board. The Board will forward its recommendations concerning the proposed budget for the Board and the Bureau to the Director of the United States Information Agency for his consideration as a part of the Agency's budget submission to the Office of Management and Budget. The Director of the United States Information Agency shall include in the Agency's submission to the Office of Management and Budget, the comments and recommendations of the Board

concerning the proposed broadcasting budget.

SEC. 7. ASIAN DEMOCRACY RADIO.

The Director of the United States Information Agency is authorized to create and support within the Office of Surrogate Broadcasting of the International Broadcasting Bureau a surrogate broadcasting service to be known as "Asian Democracy Radio," which shall—

(a) Provide accurate and timely information, news, commentary about events in the respective countries of Asia and elsewhere to promote the cause of freedom and democracy in those countries of Asia where communications media are not fully developed or free; and,

(b) Be a source of information about developments in Asia and a forum for a variety of opinions and voices from within Asian nations whose people do not fully enjoy freedom of expression.

SEC. 8. TRANSITION.**(a) AUTHORIZATION.—**

The President is hereby authorized to direct the transfer of all functions and authorities from the Board for International Broadcasting to the United States Information Agency, the Board, or the Bureau as may be necessary to implement this Act.

(b) EXCEPTED SERVICE APPOINTMENT AUTHORITY.—

Notwithstanding the provisions of section 607 of the Treasury, Postal Service, and General Government Appropriations Act, 1993, Pub. L. 102-393, or any other Act, now or hereafter enacted barring employment or compensation on the basis of citizenship, the Director of the United States Information Agency shall appoint to the United States Information Agency, the Bureau, or the Board, any personnel of RFE/RL, Inc., who are permanent employees as of September 30, 1995, without regard to the provisions of Title 5 of the United States Code governing appointments in the competitive service, and fix their compensation without regard to the provisions of Chapter 51 and Subchapter III of Chapter 53 of such Title 5, governing classification and General Schedule pay rates. To the extent permitted by law, compensation, benefits, and personnel rules shall be modeled after existing RFE/RL, Inc., personnel and compensation system until the employees leave or retire.

(c) NEW APPOINTEES.—

The Director of United States Information Agency may assign personnel for service with RFE/RL, Inc., with the concurrence of the President of RFE/RL, Inc., between the date of enactment of this Act and September 30, 1995. Such assignment shall not affect the rights and benefits of such personnel as employees of the United States Information Agency.

(d) BOARD FOR INTERNATIONAL BROADCASTING PERSONNEL.—

All Board for International Broadcasting full-time United States Government personnel (except special Government employees) and part-time United States Government personnel holding permanent positions shall be transferred to the United States Information Agency, the Board, or the Bureau. Such transfer shall not cause any such employee to be separated or reduced in grade or compensation.

(e) OTHER AUTHORITIES.—

The Director of the United States Information Agency is authorized to utilize the provisions of Titles VIII and IX of the United States Information and Educational Exchange Act of 1948, as amended, and any other authority available to the Director on

the effective date of this Act, to the extent that he or she deems necessary in carrying out the provisions and purposes of this Act.

(f) REPEAL.—

The Board for International Broadcasting Act of 1973, as amended, (22 U.S.C. 2871, et seq.) is hereby repealed effective September 30, 1994, but in no event shall the Act be repealed before the appointment and confirmation of all members to the Broadcasting Board of Governors.

(g) APPROPRIATED FUNDS.—

No appropriated funds shall be available for grants to RFE/RL, Inc. after September 30, 1995.

(h) SERVINGS PROVISIONS.—

(1) CONTINUING EFFECT OF LEGAL DOCUMENTS.—

All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(a) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act, and

(b) which are in effect at the time this Act takes effect, or were final before the effective date of this Act and are to become effective on or after the effective date of this Act, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the United States Information Agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PROCEEDINGS NOT AFFECTED.—

The provisions of this Act shall not affect any proceedings pending before the Board for International Broadcasting at the time this Act takes effect, with respect to functions transferred by this Act, but such proceedings shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(3) SUITS NOT AFFECTED.—

The provisions of this Act shall not affect suits commenced before the effective date of this Act, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(4) NONABATEMENT OF ACTIONS.—

No suit, action, or other proceeding commenced by or against the Board for International Broadcasting or by or against any individual in the official capacity of such individual as an officer of the Board for International Broadcasting shall abate by reason of the enactment of this Act.

(5) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—

Any administrative action relating to the preparation or promulgation of a regulation by the Board for International Broadcasting relating to a function transferred under this

Act may be continued by the United States Information Agency with the same effect as if this Act had not been enacted.

(6) REFERENCES.—

A reference in any provision of law, reorganization plan, or other authority to the Associate Director for Broadcasting of the United States Information Agency shall be considered to be a reference to the Director of the International Broadcasting Bureau of the United States Information Agency.

(7) EFFECT ON OTHER LAWS.—

The provisions of, and authorities contained in or transferred pursuant to, this Act are not intended to repeal, limit, or otherwise derogate from the authorities or functions of or available to the Director of the United States Information Agency or the Secretary of State under law, reorganization plan, or otherwise, unless such provision hereof—

(a) specifically refers to the provision of law or authority existing on the effective date of this Act, so affected; or

(b) is in direct conflict with such law or authority existing on the effective date of this Act.

(8) BOARD OF DIRECTORS, RFE/RL, INC.—

(a) At such time, and in such manner as the President directs, no grant may be made to RFE/RL, Inc., unless the certificate of incorporation of RFE/RL, Inc., has been amended to provide that—

(1) the Broadcasting Board of Directors of RFE/RL, Inc., shall consist of the members of the Board of Governors and of no other members, except that the Director of the Bureau shall be a non-voting member; and

(2) such Broadcasting Board of Governors shall make all major policy determinations governing the operation of RFE/RL, Inc., and shall appoint and fix the compensation of such managerial officers and employees of RFE/RL, Inc., as it deems necessary to carry out the purposes of this act.

(b) Compliance with the requirement of paragraph (1) of Subsection (a) shall not be construed to make of RFE/RL, Inc., a federal agency or instrumentality.

(9) AUTHORIZATION FOR APPROPRIATION.—

There is authorized to be appropriated \$540,046,000 for Fiscal Year 1995, \$395,356,000 for Fiscal Year 1996, and \$400,784,000 for Fiscal Year 1997 for the International Broadcasting Operations account. In addition, \$106,271,000 for Fiscal Year 1995, \$108,874,000 for Fiscal Year 1996, and \$111,528,000 for Fiscal Year 1997 are authorized to be appropriated for the Radio Construction Account.

SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE

This section is self-explanatory.

SECTION 2. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSES

This section sets forth the findings of Congress that U.S. Government non-military broadcasting as carried on by the Voice of America, RFE/RL, Inc., Radio and TV Marti, and WORLDNET have been effective instruments for mutual understanding among the United States and people of other nations, explaining the United States and its people and policies, and furthering open communication of information and ideas in countries where communications media are not fully developed or free. The Congress believes that such broadcasting is in the national interest and should continue to carry out the purposes set forth in this section in a reorganized and more efficient and economical instrumentality within the United States Information Agency.

Congress also finds that it is in the national interest to initiate broadcasting to the people of Asia who because of a lack of development or unfettered access to expression of ideas, may not be receiving the information available to make judgments and reach understandings that are necessary to help foster the causes of freedom and democracy in today's world. This section finds that the creation of an Asian Democracy Radio within the new international broadcast establishment in the United States Information Agency is in the national interest.

SECTION 3. ESTABLISHMENT OF BROADCASTING BOARD OF GOVERNORS

Subsection (a) establishes within the United States Information Agency under all of its existing administrative, operating, and technical authorities a new Broadcasting Board of Governors which will act to protect the political and journalistic integrity of the newly established International Broadcasting Bureau. It has been determined by the United States Information Agency that this Board would not be a federal advisory committee and therefore would not be covered by the Federal Advisory Committee Act.

The remainder of this section is self-explanatory in setting forth the composition of the Board, terms of office, the selection criteria, and compensation. The Administration intends that not more than four voting members of the Board appointed by the President shall be of same political party.

SECTION 4. FUNCTIONS OF THE BOARD

This section implements the President's mandate that there be established a new and independent Board of Governors located within the United States Information Agency. The Board would oversee and provide guidance to a newly created International Broadcasting Bureau and would replace and perform tasks similar to those of the Board for International Broadcasting with respect to surrogate broadcasting. The Board will be responsible for assessing the quality, effectiveness, and professional integrity of United States surrogate and other broadcasting.

This section also lists the specific authorities of the Board. Subsections (a) through (e) specify the Board's duties and are based primarily on the current statutory oversight functions of the Board for International Broadcasting regarding surrogate broadcasting. They include the following: guidance and oversight of U.S. non-military international broadcasting by the United States Information Agency; review and evaluate the mission and operation of the broadcasting services, engineering activities, and uses of new broadcast technologies, as well as assess the programming quality, effectiveness and integrity of the broadcast services within the context of the foreign policy objectives of the U.S.; review annually the mix of traditional VOA programming and surrogate programming with recommendations on additions or deletions to the President through the Director of the United States Information Agency; undertake studies, as may be necessary, to identify broadcasting areas which could be made more efficient and economical; and report annually to the President, through the Director of the United States Information Agency, summarizing the activities of the Board and evaluating the operations of the Bureau.

Subsections (f) through (h) list the administrative authorities of the Board of Governors. They provide the Board authority for the following activities: to procure supplies and services; appoint necessary staff; and to have available official reception and representation expenses at the level currently

available to the Board for International Broadcasting. With respect to subsection (h), the Chairman of the Board may only act in pursuance to a majority vote of the Board.

SECTION 5. JOURNALISTIC INTEGRITY AND FOREIGN POLICY GUIDANCE

This section provides for the protection of the newly established International Broadcasting Bureau against political interference with its broadcasting. It seeks to ensure that the Director of the United States Information Agency will respect the professional independence and integrity of the broadcast services. This provision recognizes that the Director is the appropriate source of guidance on foreign policy issues to the Board members, including the Director of the International Broadcasting Bureau. It also recognizes the necessity and practicality of the day-to-day requirements of the Bureau for the United States Information Agency's Director's foreign policy guidance on particular topics and more general broadcast matters. It is expected that the Director of the Bureau will be a regular participant in the usual staff and policy meetings of the United States Information Agency. The Secretary of State is expected to continue his or her present role of providing foreign policy information and guidance to the Director of the United States Information Agency. This does not mean, however, that the Secretary is to be involved in the management or day-to-day decision-making of the Agency or any of its operations or programs such as international broadcasting or otherwise.

SECTION 6. INTERNATIONAL BROADCASTING BUREAU

Subsection (a) establishes the International Broadcasting Bureau, a new operational entity to carry out the U.S. Government's non-military international broadcasting. The Act contemplates broadcasting by the Bureau utilizing the current means of mass communications such as radio and television, as well as by any new methods of mass communication developed as a product of the rapid evolution of modern technology.

Subsections (b) and (c) set forth the general composition of the new Bureau. The Bureau will include the Voice of America, and a new office of surrogate broadcasting comprised of the newly established federal Office of Radio Free Europe and Radio Liberty, Radio Marti, and TV Marti, and the newly established Asian Democracy Radio. The Bureau will also include engineering and technical operations elements and may also be expanded to accommodate other broadcasting elements as needed. The Broadcasting Board of Governors with the concurrence of the Director of the United States Information Agency are enabled to include within the Bureau certain program services of the WORLDNET Television and Film Service. This recognizes that there are certain elements of WORLDNET, such as teleconferencing, which are not properly part of the broadcasting services.

Subsection (d) provides that the Chairman, based on a majority vote of the Board of Governors and after consulting with the Director of the United States Information Agency, will appoint the Director of the International Broadcasting Bureau. All parties understand that it is essential that the Chairman of the Board work closely with and seek agreement with the Director of the United States Information Agency on the selection and appointment of the Director of the Bureau. This subsection also provides that the Director of the Bureau be compensated at the rate of Level IV of the Executive Schedule.

Subsection (e) provides that the Bureau and the Board shall be funded by a separately identified account and be authorized as a separate category by the Congress, within the overall appropriation accounts of the United States Information Agency. This section provides that the Broadcasting Board of Governors, working with the Director of the Bureau, will propose a budget for the Board of Governors and the Bureau for consideration by the Director of the United States Information Agency as a part of the Agency's budget submission to the Office of Management and Budget. This provision recognizes that the Director of the United States Information Agency is responsible for and is the final authority on the Agency's budget proposal for the appropriation cycle; however, it also ensures that the recommendations and comments of the Broadcasting Board of Governors are included with the Agency's budget proposal submitted to the Office of Management and Budget.

SECTION 7. ASIAN DEMOCRACY RADIO

This section provides authority for the Director of the United States Information Agency to create and support within the Office of Surrogate Broadcasting of the International Broadcasting Bureau a surrogate broadcasting service to be known as "Asian Democracy Radio." This new service shall provide information, news, and commentary about events in Asia and elsewhere to promote freedom and democracy in those Asian countries where communications media are not fully developed or free. The Radio shall also be a source of information about developments in Asia and a forum for a variety of opinions from within Asian nations whose people do not fully enjoy freedom of expression.

SECTION 8. TRANSITION

This section addresses legal and administrative issues arising from the dissolution of the Board for International Broadcasting and RFE/RL, Inc., as well as the establishment of the new Board of Governors and International Broadcasting Bureau within the United States Information Agency.

The Director of the United States Information Agency and the Chairman of the Board for International Broadcasting will jointly prepare and submit to the President for approval and implementation of a plan to accomplish the orderly dissolution of RFE/RL, Inc., on September 30, 1995, and in its place, to create the Office of Radio Free Europe and the Office of Radio Liberty within the Office of Surrogate Broadcasting of the Bureau. The plan will be submitted to the President within 120 days following the effective date of the Act in order to ensure timely implementation of this Act. The plan will address all issues related to the transition including, but not limited to the following:

- (1) transfer of RFE/RL, Inc., personnel;
- (2) hiring of new personnel, either for RFE/RL, Inc., or for the new office of Radio Free Europe or Radio Liberty;
- (3) transfer of assets and liabilities;
- (4) transfer of the Board for International Broadcasting functions to the United States Information Agency;
- (5) transfer of unexpended balances of appropriations and other funds to the United States Information Agency; and
- (6) a provision for the continuation, in a manner to be decided, of the prestigious RFE/RL, Inc., Research Institute.

The plan will also provide for the continuation of the RFE/RL, Inc., Research Institute. This institute is now supported by funds granted to RFE/RL, Inc., by the Board

for International Broadcasting. It is envisioned that the plan will provide for continuing the operation of the research institute with reduced federal funding and eventually, solely by private funds.

Subsection (a) authorizes that any expiring authorities of the Board for International Broadcasting are transferred to the Director of the United States Information Agency to assist in carrying out this reorganization and consolidation.

Subsection (b) provides that the Director of the United States Information Agency shall appoint in the excepted service, U.S. citizens and non-citizens, who are permanent employees of RFE/RL, Inc., as of September 30, 1995, who wish to be converted for service within, the United States Information Agency, the Bureau, or the Board.

This subsection will also address our intention to preserve, insofar as possible, the compensation, benefits, and personnel rules for permanent employees of RFE/RL, Inc., who are on the rolls as of September 30, 1995. This will be modeled after their current personnel system until the employees leave or retire. This protection of benefits is intended to be available for those who wish to be converted on or after September 30, 1995, to the excepted service for employment by the United States Information Agency, the Bureau or the Board.

Subsection (c) gives the Director of USIA the authority to assign personnel for service with RFE/RL, Inc., with the concurrence of the President of RFE/RL, Inc., in the General Schedule. This provision is intended to give flexibility in achieving the goals of the consolidation.

Subsection (d) provides that full-time and part-time U.S. Government personnel occupying permanent positions in the Board for International Broadcasting shall be transferred to the United States Information Agency for service with the Agency, the Board, or the Bureau. Such persons shall not be separated, or reduced in grade or compensation as a result of this transfer. This provision is intended to ensure that Board for International Broadcasting personnel transferred to the United States Information Agency are not treated differently from United States Information Agency personnel as a result of the transfer.

Subsection (e) is intended to ensure that the Director of the United States Information Agency and therefore the newly established broadcasting entity have available for carrying out all the purposes of this Act, all of the authorities which are available to the Director of the United States Information Agency on the effective date of this Act. It is intended that the new broadcast entity be enabled thereby to operate utilizing the Director's full range of administrative, technical, contracting, personnel and all other authorities, liberally interpreted, to carry out the purposes of this Act.

Subsection (f) repeals the Board for International Broadcasting Act of 1973, as of September 30, 1994, but only if members of the Broadcasting Board of Governors have been appointed and confirmed by the Senate.

Subsection (g) discontinues U.S. Government funding to RFE/RL, Inc., after September 30, 1995.

Subsection (h) is largely self-explanatory.

Paragraph (6) provides that the Director of the newly established International Broadcasting Bureau succeeds to all existing authority vested by law or otherwise in the Presidentially appointed Associate Director of Broadcasting position established by Reorganization Plan No. 2 of 1977.

Paragraph (7) is intended to ensure that no legal authorities available to the Director of the United States Information Agency or the Secretary of State on the date of enactment of the Act are inadvertently repealed, modified, or otherwise adversely affected by this Act.

Paragraph (8) is intended to substitute, at the appropriate time under the President's plan for consolidation, the Broadcasting Board of Governors for the Board for International Broadcasting as the sole members of the Board of Directors of RFE/RL, Inc. The Director of the International Broadcasting Bureau may participate as a member of the Board of Directors of RFE/RL, Inc., but only as a non-voting member. This is consistent with his or her non-voting status on the Broadcasting Board of Governors. During its continued existence, RFE/RL, Inc., is not to be construed as a federal entity or instrumentality.

Paragraph (9) provides authorization of appropriations for fiscal years 1995, 1996, 1997 for International Broadcasting Operations and for Radio Construction. These authorization levels will provide cost savings of at least \$250 million dollars over fiscal years 1994-1997 as a result of this consolidation.

U.S. INFORMATION AGENCY, BOARD
FOR INTERNATIONAL BROADCASTING.
Washington, DC, June 29, 1993.

The Hon. AL GORE,
President of the Senate.

DEAR MR. PRESIDENT: We are hereby submitting the enclosed proposed legislation, the "United States International Broadcasting Act of 1993," to reorganize United States international broadcasting, to authorize an Asian Democracy Radio service, and for other purposes. A section-by-section analysis further explaining the proposed legislation is also enclosed.

The Office of Management and Budget advises that there is no objection to submission of this proposed legislation to Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

JOSEPH DUFFEY,
Director, United States Information Agency.
DANIEL A. MICA,
Chairman, Board for
International Broadcasting.

By Mr. HARKIN (for himself and
Mr. CONRAD):

S. 1263. A bill to provide disaster assistance to agricultural producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

DISASTER ASSISTANCE ACT OF 1993

Mr. HARKIN. Mr. President, I am today introducing legislation to provide assistance to help alleviate the critical problems facing farm families, rural businesses and communities caused by natural disaster in Iowa and other parts of our Nation.

The entire Nation has watched in awe as a disaster of Biblical proportions has unfolded, laying waste to vast areas of my State of Iowa and the Midwest. Even television cannot convey the magnitude of the devastation. President Clinton has not made two trips to my State, and Secretary Espy has visited Iowa three times to assess the situation. And on Saturday, the

President and a large number of his cabinet were in St. Louis for a special meeting on the disaster. The excessive rains and flooding impressed President Clinton just as they have everyone else: He had never seen anything like it.

A lot of national attention has focused on the capital city of my State, Des Moines, where flooding has left some 250,000 people in the metropolitan area without running water and caused hundreds of millions of dollars in damages.

But the disaster extends to every part of Iowa—where all 99 of our counties have been designated by President Clinton as disaster areas—and far into many of the surrounding States. And from my travels around Iowa for most of the past week, I can tell you that this tragedy is profoundly affecting many, many farm families, rural businesses and small communities throughout Iowa and the Midwest.

In the past 2 weeks we have witnessed the culmination of an agricultural crisis that has been building for months. In Iowa, for example, we have had more rain since November of last year than in any similar period since records were first kept. It has rained nearly every day in Iowa for the past 2 months. First, we had severe planting delays. Then the cool and rainy weather hampered crop growth. Now flooding has dealt another crippling blow.

The amount of damage and the economic losses are almost beyond comprehension. Any estimate of the magnitude of the losses is certain to be too low. But we know it will cost billions of dollars and take a monumental amount of hard work to rebuild and restore these farms, agriculture-related businesses, and rural communities.

The people of Iowa have stood solid with strength, spirit, and concern for one another through this disaster. Seeing them in action this week has made me so proud. And they have had good support from the Federal agencies such as FEMA, the Federal Emergency Management Agency, and USDA in responding to the emergency. I am very grateful that President Clinton, Secretary Espy, FEMA Director James Lee Witt and others in the administration are responding with compassion and commitment to help Iowans and others in the Midwest. Now we must begin crafting the assistance that is needed for the longer term task of rebuilding and recovering from this disaster.

President Clinton deserves a lot of credit for responding quickly to this crisis, and for starting the legislative process so soon in order to speed disaster assistance. I also would commend the President for recognizing that more assistance is going to be required than was included in the initial package that he has sent to Congress.

In particular, the figure for agricultural crop losses is bound to increase.

The administration has recommended applying a 50-percent factor to the formulas contained in the 1990 farm bill, which were in turn derived from the 1988 and 1989 disaster bills. In general terms, those formulas provide for payments of 65 percent of the target price or average market price on losses greater than 35 percent of the program payment yield or average yield. What that 50-percent factor means, is that the farmer basically receives half of the compensation that would otherwise be paid under the disaster program if it were fully funded. Combining the disaster formulas with the 50 percent factor, a farmer who has a total loss will receive compensation of 21 cents or less on the dollar for disaster losses.

This level of compensation is not enough to help farm families adequately, nor is it enough to mitigate the severe impacts on rural economies. To be sure, there is a precedent for making payments at this prorated level of 50 percent. But that precedent was set back in 1991 when President Bush threatened to veto disaster assistance and a compromise was reached. As a result, the limited amount of funds had to be prorated and spread around among those who had suffered disaster losses.

As we craft a response to these horrendous losses we are now witnessing, we are not bound by that precedent. It was a bad precedent to begin with, forced upon us by the past administration, and it is by no means controlling in the current situation.

The legislation I am introducing today is based on the Disaster Assistance Act of 1988 and the Disaster Assistance Act of 1989. These bills were carefully crafted to address the large economic losses incurred as a result of the devastating drought in those years.

The need for this legislation is compelling. Without it, tens of thousands of farm families will be in serious jeopardy of being forced out of business. And without income to replace that lost to natural disaster, farmers will not be able to pay their bills and make the purchases that fuel the economies of agricultural communities. Farm disaster benefits are not just for farm families; they help the entire rural economy as that money is quickly spent to pay bills, to rebuild and make repairs, and to cover other costs of picking up the pieces and starting over.

Because so much of the agricultural loss this year is caused by flooding or prevented planting, we will have millions of acres on which there is no crop production whatsoever. So for many farmers this year will be worse than a drought year, in which there generally is at least something to harvest. In view of these widespread instances of total loss, I have included in this legislation that feature of the Disaster Assistance Act of 1988 providing greater benefits to those who suffer the highest levels of loss.

Whenever the topic of disaster assistance arises, the debate over crop insurance also resumes. We know that reforms are needed in the crop insurance program so that it will provide better coverage for the kinds of crop losses that our farmers are suffering in Iowa and the Midwest. Gaps in coverage, combined with the magnitude of this disaster, justify supplemental disaster assistance. Until they are offered a better product, we can only expect so much from farmers in the way of buying crop insurance. At the same time, crop insurance was available to cover some of the losses we are seeing this year. Any disaster assistance that is provided must not remove the incentive for farmers to purchase crop insurance. For that reason, my legislation makes certain that those farmers who purchased crop insurance will be better compensated under the disaster program than those who did not.

As I mentioned earlier, natural disasters in agricultural areas have dramatic impacts upon whole communities and their economies and businesses. The adverse weather conditions that have delayed or prevented planting translate into reduced sales of agricultural supplies. Reduced production also means there will be less economic activity this fall from the hauling, storing, selling and processing of agricultural commodities in communities affected by natural disaster. And when farm income falls, businesses up and down main street in rural communities also suffer. Accordingly, the legislation I am introducing today also includes provisions designed to assist rural businesses.

These are the principal provisions of this legislation:

Crop loss benefits: Provides disaster benefits to producers of all commercial crops, including program crops, non-program crops and soybeans and sunflowers, who suffer 1993 crop losses in excess of 35 percent (40 percent in the case of producers who did not purchase crop insurance) of the program payment yield, county yield or normal yield as a result of damaging weather in 1992 or 1993—defined to include drought, hail, excessive moisture, freeze, tornado, hurricane, earthquake or excessive wind—or related condition.

Standard disaster benefits: Disaster payments on wheat, feedgrains, cotton and rice are paid at the rate of 65 percent of the target price level for producers who participated in the commodity program. For those who did not participate in the program the payment would be 65 percent of the county loan rate on the commodity. For soybeans and other nonprogram crops, disaster payments will be made at a rate of 65 percent of the average producer market price for the last 5 years, excluding the high and low years. For peanuts, sugar beets, sugarcane and to-

bacco, payments will be made at the rate of 65 percent of the support price level. Disaster payments are made at the 65 percent rate on losses greater than 35 percent—40 percent for producers who did not purchase crop insurance—but not exceeding 75 percent.

High loss disaster benefits: Disaster payments on the portion of the production loss in excess of 75 percent—80 percent in the case of producers who did not purchase crop insurance—will be made at a rate of 90 percent of the target price, support price, average price or loan rate, as applicable.

Crop quality reduction payments: The bill provides additional payments up to 10 percent of the applicable payment rate to compensate for reduced quality of the crop actually harvested caused by adverse weather or related condition.

Repayment of advance deficiency payments: No repayment of advance deficiency payments will be required on that part of production losses up to 35 percent—40 percent in the case of producers who did not purchase crop insurance. For losses above these levels, producers may not receive both a deficiency payment and a disaster payment. However, producers would not be required to repay advance deficiency payments prior to July 31, 1994.

Federal crop insurance payments and future year coverage: In order to prevent windfalls, the combined crop insurance benefits and disaster payments for lost crop production may not exceed 100 percent of the yield used for calculating disaster payments, or the crop insurance yield if it is greater, times the acreage for the crop planted or prevented from being planted times the target price, support price, average price or loan rate, as applicable.

Producers accepting disaster payments, or forgiveness of any requirement to refund advance deficiency payments, would be required to purchase crop insurance for the 1994 and 1995 crop years with the following exceptions: First, if crop insurance coverage is not available, if the producer's annual premium rate is greater than 125 percent of the average premium rate for the 1993 crop, if the producer's annual premium rate is greater than 25 percent of the disaster benefits received, if on appeal, the county committee determines that purchase of crop insurance would impose an undue financial hardship on the producer, or if the payment or guarantee is for a loss from prevented planting, unless FCIC offers the same coverage in terms of yields and prices for prevented planting as it does for other perils in its standard policy.

Payment limitations: Total benefits to a producer for crop losses are limited to \$100,000. The combined benefits to a producer for crop losses and emergency livestock assistance may not exceed \$100,000. Producers may not re-

ceive both disaster payments and emergency livestock assistance based on the same crop loss.

Oilseeds planted on prevented planting acres: Current USDA rules would be changed for 1993 to allow soybeans and other oilseeds grown on intended program crop acreage for which prevented planting credit is obtained to be placed under CCC loan.

Orchards and tree farms: The bill would provide benefits up to \$25,000 for tree mortality losses greater than 35 percent.

Farm operating loans: The bill directs USDA to provide operating loans to the maximum extent possible to farmers suffering major losses due to damaging weather or related condition and to provide guarantees for loans to refinance and reamortize 1993 operating loans, or 1993 or 1994 installments due on loans for real estate, buildings, equipment, livestock or operating expenses.

Assistance for rural businesses: USDA is directed to provide guarantees for loans, and restructuring and refinancing of loans, to businesses in rural areas to alleviable financial stress from damaging weather or related condition in 1992 or 1993. Up to \$200 million is to be available in the program, with individual guarantees of up to \$500,000.

Mr. President, I hope my colleagues will fully support this urgently needed legislation.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

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

S. 1263

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 "Disaster Assistance Act of 1993".

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

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

Sec. 101. Payments to program participants for target price commodities.

Sec. 102. Payments to program nonparticipants for target price commodities.

Sec. 103. Peanuts, sugar, and tobacco.

Sec. 104. Soybeans and nonprogram crops.

Sec. 105. Crop quality reduction disaster payments.

Sec. 106. Effect of Federal crop insurance payments.

Sec. 107. Crop insurance coverage for the 1994 and 1995 crops.

Sec. 108. Crops harvested for forage uses.

Sec. 109. Payment limitations.

Sec. 110. De minimis yields.

Sec. 111. Substitution of crop insurance program yields.

Sec. 112. Planting oilseeds on prevented planting acreage.

Subtitle B—Orchards

- Sec. 121. Definition of eligible orchardist.
 Sec. 122. Eligibility.
 Sec. 123. Assistance.
 Sec. 124. Limitation on assistance.
 Sec. 125. Duplicative payments.

Subtitle C—Forest Crops

- Sec. 131. Definition of eligible tree farmer.
 Sec. 132. Eligibility.
 Sec. 133. Assistance.
 Sec. 134. Limitation on assistance.
 Sec. 135. Duplicative payments.

Subtitle D—Administrative Provisions

- Sec. 141. Ineligibility.
 Sec. 142. Timing and manner of assistance.
 Sec. 143. Commodity Credit Corporation.
 Sec. 144. Regulations.
 Sec. 145. Application of subtitle.

TITLE II—RURAL BUSINESSES

- Sec. 201. Disaster assistance for rural business enterprises.

TITLE III—DISASTER CREDIT AND FORBEARANCE

- Sec. 301. Emergency loans.
 Sec. 302. Farm operating loans.

SEC. 2. DEFINITIONS.

As used in this Act:

(1) **DAMAGING WEATHER.**—The term "damaging weather" includes drought, hail, excessive moisture, freeze, tornado, hurricane, earthquake, or excessive wind, or any combination thereof.

(2) **RELATED CONDITION.**—The term "related condition" includes insect infestations that do not regularly reoccur, plant diseases, or other deterioration of a crop of a commodity, including aflatoxin, that is accelerated or exacerbated naturally as a result of damaging weather occurring prior to or during harvest.

(3) **SECRETARY.**—The term "Secretary" means the Secretary of Agriculture.

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

- SEC. 101. PAYMENTS TO PROGRAM PARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) **DISASTER PAYMENTS.**—

(1) **IN GENERAL.**—Effective only for producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1993 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, except as otherwise provided in this subsection, if the Secretary determines that, because of damaging weather or related condition in 1992 or 1993, the total quantity of the 1993 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying 60 percent (or, in the case of producers who obtained crop insurance for the 1993 crop of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the farm program payment yield established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for the crop, the Secretary shall make a disaster payment available to the producers at a rate equal to—

(A) 65 percent of the established price for the crop for any deficiency in production greater than—

(i) 40 percent, but not greater than 80 percent, for the crop; or

(ii) in the case of producers who obtained crop insurance for the 1993 crop of the com-

modity under the Federal Crop Insurance Act, 35 percent, but not greater than 75 percent, for the crop; and

(B) 90 percent of the established price for the crop for any deficiency in production greater than—

(i) 80 percent for the crop; or

(ii) in the case of producers who obtained crop insurance for the 1993 crop of the commodity under such Act, 75 percent for the crop.

(2) **LIMITATIONS.**—

(A) **ACREAGE IN EXCESS OF PERMITTED ACREAGE.**—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm with respect to any acreage in excess of the permitted acreage for the farm for the commodity.

(B) **CROP INSURANCE.**—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm unless the producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(3) **REDUCTION IN DEFICIENCY PAYMENTS.**—The total quantity of a crop of a commodity on which deficiency payments otherwise would be payable to producers on a farm under the Agricultural Act of 1949 shall be reduced by the quantity on which a payment is made to the producers for the crop under paragraph (1).

(4) **ELECTION OF PAYMENTS.**—

(A) **APPLICATION OF PARAGRAPH.**—This paragraph shall apply, effective only for the 1993 crops of wheat, feed grains, upland cotton, extra long staple cotton, and rice, to producers on a farm who—

(i) had failed wheat, feed grain, upland cotton, extra long staple cotton, or rice acreage; or

(ii) were prevented from planting acreage to the commodity because of damaging weather or related condition in 1992 or 1993.

(B) **ELECTION.**—The Secretary shall (not later than 30 days after the date of enactment of this Act) permit producers referred to in subparagraph (A) to elect whether to receive disaster payments in accordance with this section in lieu of payments received under the Agricultural Act of 1949.

(b) **ADVANCE DEFICIENCY PAYMENTS.**—

(1) **APPLICATION OF SUBSECTION.**—This subsection shall apply only to producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1993 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice.

(2) **FORGIVENESS OF REFUND REQUIREMENT.**—

(A) **IN GENERAL.**—Subject to subparagraph (B), if because of damaging weather or related condition in 1992 or 1993 the total quantity of the 1993 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying the farm program payment yield established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for the crop (referred to in this subsection as the "qualifying quantity"), the producers shall not be required to refund any advance deficiency payment made to the producers for the crop under section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) with respect to that portion of the deficiency in production that does not exceed—

(i) in the case of producers who obtained crop insurance for the 1993 crop of the commodity under the Federal Crop Insurance

Act, 35 percent of the qualifying quantity; and

(ii) in the case of other producers, 40 percent of the qualifying quantity.

(B) **CROP INSURANCE.**—Producers on a farm shall not be eligible for the forgiveness provided for under subparagraph (A), unless the producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(3) **ELECTION FOR NONRECIPIENTS.**—The Secretary shall allow producers on a farm who elected, prior to the date of enactment of this Act, not to receive advance deficiency payments made available for the 1993 crop under section 107C of the Agricultural Act of 1949, to elect (not later than 30 days after the date of enactment of this Act) whether to receive the advance deficiency payments.

(4) **DATE OF REFUND FOR PAYMENTS.**—Effective only for the 1993 crops of wheat, feed grains, upland cotton, and rice, if the Secretary determines that any portion of the advance deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, the refund shall not be required prior to July 31, 1994, for that portion of the crop for which a disaster payment is made under subsection (a).

SEC. 102. PAYMENTS TO PROGRAM NONPARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) **DISASTER PAYMENTS.**—

(1) **IN GENERAL.**—Effective only for producers on a farm who elected not to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1993 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, if the Secretary determines that because of damaging weather or related condition in 1992 or 1993, the total quantity of the 1993 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying 60 percent (or in the case of producers who obtained crop insurance for the 1993 crop of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the county average yield established by the Secretary for the crop by the sum of acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for the crop under subsection (b), the Secretary shall make a disaster payment available to the producers.

(2) **PAYMENT RATE.**—The payment shall be made to the producers at a rate equal to—

(A) 65 percent of the basic county loan rate (or a comparable rate if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than—

(i) 40 percent, but not greater than 80 percent, for the crop; or

(ii) in the case of producers who obtained crop insurance for the 1993 crop of the commodity under the Federal Crop Insurance Act, 35 percent, but not greater than 75 percent, for the crop; and

(B) 90 percent of the basic county loan rate (or a comparable rate if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than—

(i) 80 percent for the crop; or

(ii) in the case of producers who obtained crop insurance for the 1993 crop of the commodity under such Act, 75 percent for the crop.

(b) **PREVENTED PLANTING CREDIT.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary shall provide prevented planting credit under subsection (a) with respect

to acreage that producers on a farm were prevented from planting to the 1993 crop of the commodity for harvest because of damaging weather or related condition in 1992 or 1993, as determined by the Secretary.

(2) **MAXIMUM ACREAGE.**—The acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted because of a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1992 minus acreage actually planted to the commodity for harvest in 1993; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted because of a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1990, 1991, and 1992 minus acreage actually planted to the commodity for harvest in 1993.

(3) **ADJUSTMENTS.**—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) **LIMITATIONS.**—

(1) **ACREAGE LIMITATION PROGRAM.**—The amount of payments made available to producers on a farm for a crop of a commodity under subsection (a) shall be reduced by a factor equivalent to the acreage limitation program percentage established for the crop under the Agricultural Act of 1949.

(2) **CROP INSURANCE.**—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless the producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

SEC. 103. PEANUTS, SUGAR, AND TOBACCO.

(a) **DISASTER PAYMENTS.**—

(1) **IN GENERAL.**—Effective only for the 1993 crops of peanuts, sugar beets, sugarcane, and tobacco, if the Secretary determines that, because of damaging weather or related condition in 1992 or 1993, the total quantity of the 1993 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 60 percent (or, in the case of producers who obtained crop insurance for the 1993 crop of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the county average yield (or program yield, in the case of peanuts) established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for the crop under subsection (b), the Secretary shall make a disaster payment available to the producers.

(2) **PAYMENT RATE.**—The payment shall be made to the producers at a rate equal to—

(i) 65 percent of the applicable payment level under paragraph (3), as determined by the Secretary—

(I) for any deficiency in production greater than 40 percent (or, in the case of producers who purchased crop insurance for the 1993 crop of the commodity under the Federal Crop Insurance Act, 35 percent), but not greater than 80 percent (or, in the case of producers who purchased crop insurance for the 1993 crop of the commodity under such Act, 75 percent), for the crop; or

(II) in the case of a crop of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 40 percent (or, in the case of producers who purchased crop insurance for the 1993 crop of the commodity under such Act, 35 percent), but not greater

than 80 percent (or, in the case of producers who purchased crop insurance for the 1993 crop of the commodity under such Act, 75 percent), of the effective marketing quota for 1993 of the farm; and

(ii) 90 percent of the applicable payment level under paragraph (3), as determined by the Secretary—

(I) for any deficiency in production greater than 80 percent (or, in the case of producers who purchased crop insurance for the 1993 crop of the commodity under such Act, 75 percent) for the crop; or

(II) in the case of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 80 percent (or, in the case of producers who purchased crop insurance for the 1993 crop of the commodity under such Act, 75 percent) of the effective marketing quota of the farm for 1993.

(3) **PAYMENT LEVEL.**—For purposes of paragraph (1), the payment level for a commodity shall be equal to—

(A) for peanuts, the price support level for quota peanuts or the price support level for additional peanuts, as applicable;

(B) for tobacco, the national average loan rate for the type of tobacco involved, or (if there is no rate) the payment level, as determined under section 104(a)(2); and

(C) for sugar beets and sugarcane, a level determined by the Secretary to be fair and reasonable in relation to the level of price support established for the 1993 crops of sugar beets and sugarcane, and that, insofar as is practicable, shall reflect no less return to the producer than under the 1993 price support levels.

(b) **PREVENTED PLANTING CREDIT.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1993 crop of the commodity for harvest because of damaging weather or related condition in 1992 or 1993, as determined by the Secretary.

(2) **MAXIMUM ACREAGE.**—The acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted because of a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1992 minus acreage actually to the commodity planted for harvest in 1993; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted because of a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1990, 1991, and 1992 minus acreage actually planted to the commodity for harvest in 1993.

(3) **ADJUSTMENTS.**—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers and any change in quotas for the 1993 crop of tobacco.

(c) **LIMITATION.**—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless the producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(d) **SPECIAL RULES FOR PEANUTS.**—Notwithstanding any other provision of law—

(1) a deficiency in production of quota peanuts from a farm, as otherwise determined under this section, shall be reduced by the quantity of peanut poundage quota that was the basis of the anticipated production that has been transferred from the farm;

(2) payments made under this section shall be made taking into account whether the deficiency for which the deficiency in production is claimed was a deficiency in production of quota or additional peanuts and the payment rate shall be established accordingly; and

(3) the quantity of undermarketings of quota peanuts from a farm for the 1993 crop that may otherwise be claimed under section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of the peanuts for which payment has been received under this section.

(e) **SPECIAL RULES FOR TOBACCO.**—Notwithstanding any other provision of law—

(1) the quantity of undermarketings of quota tobacco from a farm for the 1993 crop that may otherwise be claimed under section 317 or 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c or 1314e) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of the tobacco for which payment has been received under this section; and

(2) disaster payments made to producers under this section may not be considered by the Secretary in determining the net losses of the Commodity Credit Corporation under section 106A(d) of the Agricultural Act of 1949 (7 U.S.C. 1445-1(d)).

(f) **SPECIAL RULE FOR SUGARCANE.**—For purposes of determining the total quantity of the 1993 crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.

SEC. 104. SOYBEANS AND NONPROGRAM CROPS.

(a) **DISASTER PAYMENTS.**—

(1) **IN GENERAL.**—

(A) **ELIGIBILITY.**—Effective only for the 1993 crops of soybeans and nonprogram crops, if the Secretary determines that, because of damaging weather or related condition in 1992 or 1993, the total quantity of the 1993 crop of the commodity that the producers on a farm are able to harvest is less than—

(i) with respect to soybeans and sunflowers, the result of multiplying 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1993 crop year of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the State, area, or county yield, adjusted for adverse weather conditions during the 1990, 1991, and 1992 crop years, as determined by the Secretary, for the crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for the crop under subsection (b);

(ii) with respect to nonprogram crops (other than as provided in clauses (i) and (iii)), the result of multiplying 60 percent (or, in the case of producers who obtained crop insurance, if available, for the 1993 crop year of the commodity under the Federal Crop Insurance Act, 65 percent) of the yield established by the Commodity Credit Corporation under subsection (d)(2) for the crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for the crop under subsection (b); and

(iii) with respect to crops covered in section 201(b) of the Agricultural Act of 1949 (7 U.S.C. 1446(b)), 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1993 crop year of the commodity under such Act, 65 percent) of the historical annual yield of the producers for the crops, as determined by the Secretary,

the Secretary shall make a disaster payment available to the producers.

(B) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to—

(i) 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production for soybeans, sunflowers, and for other nonprogram crops greater than—

(I) 40 percent, but not greater than 80 percent; or

(II) in the case of producers who obtained crop insurance, if available, for the 1993 crop under the Federal Crop Insurance Act, 35 percent, but not greater than 75 percent; and

(ii) 90 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production for soybeans, sunflowers, and for other nonprogram crops greater than—

(I) 80 percent; or

(II) in the case of producers who obtained crop insurance, if available, for the 1993 crop under such Act, 75 percent.

(2) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (3), during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(3) CALCULATION OF PAYMENTS FOR DIFFERENT VARIETIES.—

(A) CROP-BY-CROP BASIS.—The Secretary shall make disaster payments under this subsection on a crop-by-crop basis, with consideration given to markets and uses of the crops, under regulations issued by the Secretary.

(B) DIFFERENT VARIETIES.—For purposes of determining the payment levels on a crop-by-crop basis, the Secretary shall consider as separate crops, and develop separate payment levels insofar as is practicable for, different varieties of the same commodity, and commodities for which there is a significant difference in the economic value in the market.

(C) DOUBLE CROPPING.—

(i) TREATED SEPARATELY.—In the case of a crop that is historically double cropped (including two crops of the same commodity) by the producers on a farm, the Secretary shall treat each cropping separately for purposes of determining whether the crop was affected by damaging weather or related condition and the total quantity of the crop that the producers are able to harvest.

(ii) APPLICATION OF PARAGRAPH.—This paragraph shall not apply in the case of a replacement crop.

(4) EXCLUSIONS FROM HARVESTED QUANTITIES.—For purposes of determining the total quantity of the 1993 nonprogram crop of the commodity that the producers on a farm are able to harvest under paragraph (1), the Secretary shall exclude—

(A) commodities that cannot be sold in normal commercial channels of trade; and

(B) dockage, including husks and shells, if the dockage is excluded in determining yields under subsection (d)(2).

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1993 crop of the commodity for harvest because of damaging weather or related condition in 1992 or 1993, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—The acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted because of a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1992 minus acreage actually planted to the commodity for harvest in 1993; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted because of a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1990, 1991, and 1992 minus acreage actually planted to the commodity for harvest in 1993.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless the producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(d) SPECIAL RULES FOR NONPROGRAM CROPS.—

(1) DEFINITION OF NONPROGRAM CROP.—As used in this section, the term "nonprogram crop" means all crops for which crop insurance through the Federal Crop Insurance Corporation was available for crop year 1993, and other commercial crops (including ornamentals which shall include flowering shrubs, flowering trees, and field or container grown roses or turf and sweet potatoes for which the insurance was not available for crop year 1993), except that the term shall not include a crop covered under section 101, 102, or 103, soybeans, or sunflowers.

(2) FARM YIELDS.—

(A) ESTABLISHMENT.—The Commodity Credit Corporation shall establish disaster program farm yields for nonprogram crops to carry out this section.

(B) PROVEN YIELDS AVAILABLE.—If the producers on a farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop yields on the farm for at least 1 of the immediately preceding 3 crop years, the yield for the farm shall be based on the proven yield.

(C) PROVEN YIELDS NOT AVAILABLE.—If the data do not exist for any of the 3 preceding crop years, the Commodity Credit Corporation shall establish a yield for the farm by using a county average yield for the commodity, or by using other data available to the Corporation.

(D) COUNTY AVERAGE YIELDS.—In establishing county average yields for nonprogram crops, the Commodity Credit Corporation shall use the best available information concerning yields. The information may include extension service records, credible non-governmental studies, and yields in similar counties.

(3) RESPONSIBILITY OF PRODUCERS.—It shall be the responsibility of the producers of nonprogram crops to provide satisfactory evidence of 1993 crop losses resulting from damaging weather or related condition in 1992 or 1993 in order for the producers to obtain disaster payments under this section.

SEC. 105. CROP QUALITY REDUCTION DISASTER PAYMENTS.

(a) IN GENERAL.—To ensure that all producers of 1993 crops covered under sections 101 through 104 are treated equitably, the Secretary shall make additional disaster

payments to producers of the crops who suffer losses resulting from the reduced quality of the crops caused by damaging weather or related condition in 1992 or 1993, as determined by the Secretary.

(b) ELIGIBLE PRODUCERS.—Producers on a farm of a crop described in subsection (a) shall be eligible to receive reduced quality disaster payments only if the producers incur a deficiency in production of—

(1) not less than—

(A) 40 percent; or

(B) in the case of producers who obtained crop insurance for the crop under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 35 percent; and

(2) not more than 75 percent for the crop (as determined under section 101, 102, 103, or 104, as appropriate).

(c) MAXIMUM PAYMENT RATE.—The Secretary shall establish the reduced quality disaster payment rate, except that the rate shall not exceed 10 percent, as determined by the Secretary, of—

(1) the established price for the crop, for commodities covered under section 101;

(2) the basic county loan rate for the crop (or a comparable price if there is no current basic county loan rate), for commodities covered under section 102;

(3) the payment level under section 103(a)(3), for commodities covered by section 103; and

(4) the payment level under section 104(a)(2), for commodities covered under section 104.

(d) DETERMINATION OF PAYMENT.—The amount of payment to a producer under this section shall be determined by multiplying the payment rate established under subsection (c) by the portion of the actual harvested crop on the farm of the producer that is reduced in quality by the natural disaster in 1992 or 1993, as determined by the Secretary.

SEC. 106. EFFECT OF FEDERAL CROP INSURANCE PAYMENTS.

In the case of producers on a farm who obtained crop insurance for the 1993 crop of a commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Secretary shall reduce the amount of payments made available under this subtitle for the crop to the extent that the amount determined by adding the net amount of crop insurance indemnity payment (gross indemnity less premium paid) received by the producers for the deficiency in the production of the crop and the disaster payment determined in accordance with this subtitle for the crop exceeds the amount determined by multiplying—

(1) 100 percent of the greater of—

(A) the yield used for the calculation of disaster payments made under this subtitle for the crop; or

(B) the crop insurance yield for the crop; by

(2) the sum of the acreage of the crop planted to harvest and the acreage for which prevented planting credit is approved by the Secretary (or, in the case of disaster payments under section 101, the eligible acreage established under sections 101(a)(1) and 101(a)(2)(A)); by

(3)(A) in the case of producers who participated in a production adjustment program for the 1993 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the established price for the 1993 crop of the commodity;

(B) in the case of producers who did not participate in a production adjustment program for the 1993 crop of wheat, feed grains, upland cotton, extra long staple cotton, or

rice, the basic county loan rate (or a comparable price, as determined by the Secretary, if there is no current basic county loan rate) for the 1993 crop of the commodity;

(C) in the case of producers of sugar beets, sugarcane, peanuts, or tobacco, the payment level for the commodity established under section 103(a)(3); and

(D) in the case of producers of soybeans or a nonprogram crop (as defined in section 104(d)(1)), the simple average price received by producers of the commodity, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

SEC. 107. CROP INSURANCE COVERAGE FOR THE 1994 AND 1995 CROPS.

(a) **REQUIREMENT.**—Subject to the limitations under subsection (b), producers on a farm, to be eligible to receive a disaster payment under this subtitle, an emergency loan under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) for crop losses due to damaging weather or related condition in 1992 or 1993, or forgiveness of the repayment of advance deficiency payments under section 101(b), shall agree to obtain multiperil crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for each of the 1994 and 1995 crops of the commodity for which the payment, loan, or forgiveness is sought.

(b) **LIMITATIONS.**—Producers on a farm shall not be required to agree to obtain crop insurance under subsection (a) for a commodity—

(1) where, or if, crop insurance coverage is not available to the producers for the commodity for which the payment, loan, or forgiveness is sought;

(2) if the annual premium rate of the producers for the crop insurance is an amount greater than 125 percent of the average premium rate for insurance on the commodity for the 1993 crop in the county in which the producers are located;

(3) in any case in which the annual premium of the producers for the crop insurance is an amount greater than 25 percent of the amount of the payment, loan, or forgiveness sought;

(4) if the producers can establish by appeal to the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), or to the county committee established under section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982), as appropriate, that the purchase of crop insurance would impose an undue financial hardship on the producers and that a waiver of the requirement to obtain crop insurance should, in the discretion of the county committee, be granted; or

(5) if the disaster payment or forgiveness of repayment of advance deficiency payments arises from conditions that prevent planting, except that this paragraph shall not apply if the Federal Crop Insurance Corporation offers a policy providing the same coverage in terms of yields and prices for the risk of prevented planting as the Corporation does for other perils covered in the Corporation policy.

(c) **IMPLEMENTATION.**—

(1) **COUNTY COMMITTEES.**—The Secretary shall ensure (acting through the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and located in the counties in which the

assistance programs provided for under sections 101 through 105 are carried out and through the county committees established under section 332 of the Consolidated Farm and Rural Development Act in counties in which emergency loans, as described in subsection (a), are made available) that producers who apply for assistance, as described in subsection (a), obtain multiperil crop insurance as required under this section.

(2) **OTHER SOURCES.**—Each producer who is subject to the requirements of this section may comply with the requirements by providing evidence of multiperil crop insurance coverage from sources other than through the county committee office, as approved by the Secretary.

(3) **COMMISSIONS.**—The Secretary shall provide by regulation for a reduction in the commissions paid to private insurance agents, brokers, or companies on crop insurance contracts entered into under this section sufficient to reflect that the insurance contracts principally involve only a servicing function to be performed by the agent, broker, or company.

(d) **REPAYMENT OF BENEFITS.**—Notwithstanding any other provision of law, if (prior to the end of the 1994 crop year for the commodity involved) the crop insurance coverage required of the producer under this section is canceled by the producer, the producer—

(1) shall make immediate repayment to the Secretary of any disaster payment or forgiven advance deficiency payment that the producer otherwise is required to repay; and

(2) shall become immediately liable for full repayment of all principal and interest outstanding on any emergency loan described in subsection (a).

SEC. 108. CROPS HARVESTED FOR FORAGE USES.

Not later than 15 days after the date of enactment of this Act, the Secretary shall announce the terms and conditions by which producers on a farm may establish a 1993 yield with respect to crops that will be harvested for silage and other forage uses.

SEC. 109. PAYMENT LIMITATIONS.

(a) **LIMITATION.**—Subject to subsections (b) and (c), the total amount of payments that a person shall be entitled to receive under one or more of the programs established under this subtitle may not exceed \$100,000.

(b) **NO DOUBLE BENEFITS.**—No person may receive disaster payments under this subtitle to the extent that the person receives a livestock emergency benefit for lost feed production in 1993 under section 606 of the Agricultural Act of 1949 (7 U.S.C. 1471d).

(c) **COMBINED LIMITATION.**—

(1) **IN GENERAL.**—No person may receive any payment under this subtitle or benefit under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.) for livestock emergency losses suffered in 1993 if the payment or benefit will cause the combined total amount of the payments and benefits received by the person to exceed \$100,000.

(2) **ELECTION.**—If a person is subject to paragraph (1), the person may elect (subject to the benefits limitations under section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g)) whether to receive the \$100,000 in the payments, or the livestock emergency benefits (not to exceed \$50,000), or a combination of payments and benefits specified by the person.

(d) **REGULATIONS.**—The Secretary shall issue regulations—

(1) defining the term "person" for the purposes of this section and section 141, which shall conform, to the extent practicable, to the regulations defining the term "person"

issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and chapter 3 of subtitle B of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this section.

SEC. 110. DE MINIMIS YIELDS.

(a) **DISASTER PAYMENTS.**—

(1) **IN GENERAL.**—The Secretary shall determine a de minimis yield for each crop eligible for reduced yield disaster payments under this subtitle.

(2) **LEVEL.**—The de minimis yield shall be set at a level that will minimize any incentive provided by the prospect of disaster payments to abandon crops that have a value that exceeds the cost of harvesting. The de minimis yield may not be less than the quantity of production that, when valued at then current market prices, equals the average cost of harvesting the crop, as determined by the Secretary.

(3) **ACTUAL YIELD LESS THAN DE MINIMIS YIELD.**—A producer with an actual yield for a crop that is equal to or less than the de minimis yield for the crop shall be considered as having an actual yield of zero for the purpose of calculating any reduced yield disaster payments for the crop under this subtitle.

(b) **CROP INSURANCE.**—If the actual yield for a crop on a farm is equal to or less than the de minimis yield for the crop determined by the Secretary pursuant to subsection (a), neither the Federal Crop Insurance Corporation (including an agent or employee of the Corporation), nor a company reinsured by the Federal Crop Insurance Corporation (including an agent or employee of the company), may require the destruction of a portion of the crop as a condition for making a full crop loss indemnity payment to a producer under the terms of a valid contract of insurance on the crop.

SEC. 111. SUBSTITUTION OF CROP INSURANCE PROGRAM YIELDS.

(a) **IN GENERAL.**—Notwithstanding any other provision of this subtitle, the Secretary may permit each eligible producer (as defined in subsection (d) of a 1993 crop of a commodity who has obtained multiperil crop insurance for the crop (or, as provided in subsection (c), who obtained multiperil crop insurance for the 1992 crop of the producer of the commodity) under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) to substitute, at the discretion of the producer, the crop insurance yield for the crop, as established under such Act, for the farm yield otherwise assigned to the producer under this subtitle, for the purposes of determining the eligibility of the producer for a disaster payment on the 1993 crop under this subtitle and the amount of the payment.

(b) **ADJUSTMENT OF ADVANCE DEFICIENCY PAYMENTS.**—

(1) **IN GENERAL.**—Notwithstanding any other provision of this subtitle, if an eligible producer of wheat, feed grains, upland cotton, extra long staple cotton, or rice elects to substitute yields for the 1993 crop of the producer under subsection (a), the eligibility of the producer for a waiver or repayment of an advance deficiency payment on the crop under this subtitle shall be adjusted as provided in paragraph (2).

(2) **QUANTITY.**—The quantity of production of the crop on which the producer otherwise would be eligible for waiver of repayment of advance deficiency payments under this subtitle shall be reduced by a quantity of production equal to the difference between—

(A) the quantity of production eligible for disaster payments under this subtitle using a substituted yield under this section; and

(B) the quantity of production that would have been eligible for disaster payments using the farm program payment yield otherwise assigned to the producer under this subtitle.

(c) MULTIPERIL CROP INSURANCE NOT AVAILABLE.—A producer may use the crop insurance yield for the 1992 crop of the producer of a commodity for purposes of substituting yields under subsection (a) if the producer demonstrates to the Secretary that, through no fault of the producer, multiperil crop insurance under the Federal Crop Insurance Act was not made available to the producer for the 1993 crop of the producer of the commodity.

(d) DEFINITION OF ELIGIBLE PRODUCER.—As used in this section, the term "eligible producer" means a producer of the 1993 crop of wheat, feed grains, upland cotton, extra long staple cotton, rice, or soybeans.

SEC. 112. PLANTING OILSEEDS ON PREVENTED PLANTING ACREAGE.

If the producers on a farm are prevented from planting a program crop because of damaging weather or related condition in 1993 and file with the Secretary for prevented planting credit to preserve the program crop base of the producers for future crop years, the producers shall be permitted to place under a price support loan a substitute oilseed crop grown on the prevented planting acreage.

Subtitle B—Orchards

SEC. 121. DEFINITION OF ELIGIBLE ORCHARDIST.

As used in this subtitle, the term "eligible orchardist" means a person who produces annual crops from trees for commercial purposes and owns 500 acres or less of the trees.

SEC. 122. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary shall provide assistance, as specified in section 123, to eligible orchardists that planted trees for commercial purposes but lost the trees as a result of freeze, earthquake, or related condition in 1993, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if the tree mortality of the orchardist, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 123. ASSISTANCE.

The assistance provided by the Secretary to eligible orchardists for losses described in section 122 shall consist of—

(1) reimbursement of 65 percent of the cost of replanting trees lost because of freeze, earthquake, or related condition in 1993 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 124. LIMITATION ON ASSISTANCE.

(a) IN GENERAL.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed \$25,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary shall issue regulations—

(1) defining the term "person" for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and chapter 3 of subtitle B of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 125. DUPLICATIVE PAYMENTS.

The Secretary shall establish guidelines to ensure that no person receives duplicative payments under this subtitle and the forestry incentives program, agricultural conservation program, or other Federal program.

Subtitle C—Forest Crops

SEC. 131. DEFINITION OF ELIGIBLE TREE FARMER.

As used in this subtitle, the term "eligible tree farmer" means a person who grows trees for harvest for commercial purposes and owns 1,000 acres or less of the trees.

SEC. 132. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary shall provide assistance, as specified in section 133, to eligible tree farmers that planted tree seedlings in 1992 or 1993 for commercial purposes but lost the seedlings as a result of drought, earthquake, or related condition in 1993, as determined by the Secretary.

(b) LIMITATION.—An eligible tree farmer shall qualify for assistance under subsection (a) only if the tree seedling mortality of the tree farmer, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 133. ASSISTANCE.

The assistance provided by the Secretary to eligible tree farmers for losses described in section 132 shall consist of—

(1) reimbursement of 65 percent of the cost of replanting seedlings lost because of drought, earthquake, or related condition in 1993 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

SEC. 134. LIMITATION ON ASSISTANCE.

(a) IN GENERAL.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed \$25,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary shall issue regulations—

(1) defining the term "person" for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and chapter 3 of subtitle B of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 135. DUPLICATIVE PAYMENTS.

The Secretary shall establish guidelines to ensure that no person receives duplicative payments under this subtitle and the forestry incentives program, agricultural conservation program, or other Federal program.

Subtitle D—Administrative Provisions

SEC. 141. INELIGIBILITY.

(a) GENERAL RULE.—A person who has qualifying gross revenues in excess of \$2,000,000 annually, as determined by the Secretary, shall not be eligible to receive any disaster payment or other benefits under this title.

(b) QUALIFYING GROSS REVENUES.—As used in this section, the term "qualifying gross revenues" means—

(1) if a majority of the annual gross revenues of the person are received from farming, ranching, and forestry operations, the gross revenue from the farming, ranching, and forestry operations of the person; and

(2) if less than a majority of the annual gross revenues of the person are received from farming, ranching, and forestry operations, the gross revenue of the person from all sources.

SEC. 142. TIMING AND MANNER OF ASSISTANCE.

(a) TIMING OF ASSISTANCE.—

(1) ASSISTANCE MADE AVAILABLE AS SOON AS PRACTICABLE.—Subject to paragraph (2), the Secretary shall make disaster assistance available under this title as soon as practicable after the date on which funds are made available to carry out this title.

(2) COMPLETED APPLICATION.—No payment or benefit provided under this title shall be payable or due until such time as a completed application for a crop of a commodity has been approved.

(b) MANNER.—The Secretary may make payments available under this title in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

SEC. 143. COMMODITY CREDIT CORPORATION.

(a) USE.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this title.

(b) EXISTING AUTHORITY.—The authority provided by this title shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

SEC. 144. REGULATIONS.

The Secretary or the Commodity Credit Corporation, as appropriate, shall issue regulations to implement this title as soon as practicable after the date of enactment of this Act, without regard to the requirement for notice and public participation in rule-making prescribed in section 553 of title 5, United States Code, or in any directive of the Secretary.

SEC. 145. APPLICATION OF SUBTITLE.

Except as otherwise provided in this title, this subtitle shall apply to subtitles A, B, and C.

TITLE II—RURAL BUSINESSES

SEC. 201. DISASTER ASSISTANCE FOR RURAL BUSINESS ENTERPRISES.

(a) LOAN GUARANTEES.—The Secretary shall guarantee loans made in rural areas—

(1) to public, private, or cooperative organizations, to Indian tribes on Federal and State reservations or other Federally recognized Indian tribal groups, or to any other business entities to assist the organizations, tribes, or entities in alleviating the distress caused to the organizations, tribes, or entities, directly or indirectly, by damaging weather or related condition in 1992 or 1993; and

(2) to organizations, tribes, or entities described in paragraph (1) that refinance or restructure debt as a result of losses incurred, directly or indirectly, because of damaging weather or related condition in 1992 or 1993.

(b) ELIGIBLE LOANS.—To be eligible for a loan guarantee under this section, a loan shall be a loan made by a Federal or State chartered bank, savings and loan association, cooperative lending agency, insurance company, or other legally organized lending agency.

(c) LOAN GUARANTEE LIMITS.—

(1) PERCENTAGE OF PRINCIPAL AND INTEREST.—No guarantee under this section shall exceed 90 percent of the principal and interest amount of the loan or \$500,000, whichever is less.

(2) TOTAL AMOUNT.—The total amount of loan guarantees under this section shall not exceed \$200,000,000.

(d) USE OF THE RURAL DEVELOPMENT INSURANCE FUND.—The Secretary shall use the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) for the purpose of discharging the obligations of the Secretary under this section.

TITLE III—DISASTER CREDIT AND FORBEARANCE

SEC. 301. EMERGENCY LOANS.

Section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(b)) shall not apply to a person who otherwise would be eligible for an emergency loan under subtitle C of such Act, if the eligibility is the result of damage to an annual crop planted for harvest in 1993.

SEC. 302. FARM OPERATING LOANS.

(a) DIRECT CREDIT.—To the maximum extent practicable, the Secretary shall ensure that direct operating loans made or insured under subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) for 1994 crop production are made available to farmers and ranchers suffering major losses due to damaging weather or related condition in 1992 or 1993 as authorized under laws in existence on the date of enactment of this Act, and under regulations of the Secretary, that promote the objective of enabling farmers and ranchers to stay in business.

(b) LOAN GUARANTEES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall make available for fiscal year 1994 guarantees to commercial or cooperative lenders for loans under subtitle B of the Consolidated Farm and Rural Development Act, to refinance or reamortize 1993 operating loans, or 1993 or 1994 installments due and payable on real estate debt, farm equipment or building debt (including debt for a storage facility), livestock loan, or other operating debt, of farmers and ranchers that otherwise cannot be repaid due to major losses incurred by the farmers or ranchers because of damaging weather or related condition in 1992 or 1993.

(2) REAMORTIZATION.—Each loan guaranteed because of damaging weather or related condition in 1992 or 1993 using funds made available for fiscal year 1994, as described in paragraph (1), shall contain terms and conditions governing the reamortization of the debt of the farmer or rancher that will provide the farmer or rancher a reasonable opportunity to continue to receive new operating credit while repaying the guaranteed loan, as determined by the Secretary.

(3) ELIGIBILITY.—Notwithstanding any other provision of law, a person eligible to receive payments under subtitle A of title I shall be eligible for a guarantee, in accordance with this subsection, for a loan made to the person by a commercial or cooperative lender to refinance installment payments that are or become due and payable during 1993 or 1994, as described in paragraph (1), except that, to be eligible to have the loan guaranteed, the person shall otherwise—

(A) be current in the obligation of the person to the commercial or cooperative lender that agrees to accept the guarantee in consideration of allowing the person to make the 1993 or 1994 payment or installment over a period of time not to exceed 6 years from the original due date of the payment or installment; and

(B) meet the criteria for guaranteed loan borrowers under subtitle B of the Consolidated Farm and Rural Development Act established by the Secretary.

(c) USE OF AGRICULTURAL CREDIT INSURANCE FUND.—For purposes of providing guaranteed loans in accordance with subsection (b), in addition to funds otherwise available, the Secretary may use any funds available from the Agricultural Credit Insurance Fund for fiscal years 1993 or 1994 for emergency insured and guaranteed loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) to meet the needs resulting from damaging weather or related condition in 1992 or 1993, except that funds available from the Fund first shall be used to satisfy the level of assistance estimated by the Secretary to meet the needs of persons eligible for emergency disaster loans.

By Mr. D'AMATO:

S. 1264. A bill to amend the Foreign Assistance Act of 1961 to authorize the Overseas Private Investment Corporation to issue loan guarantees for development projects in Ireland; to the Committee on Foreign Relations.

IRISH DEVELOPMENT BONDS LEGISLATION

• Mr. D'AMATO. Mr. President, I rise today to introduce legislation to create Irish Development Bonds for American companies to open distribution facilities in Ireland. My legislation will increase U.S. exports and allow U.S. companies an entre into the European Community.

Increased exports from the United States to Ireland, a member of the European Community, will aid the United States economy by increasing employment through increased exports, two vital components of economic revitalization. If American companies are able to establish low-cost distribution facilities in Ireland that use American-manufactured products and components, exports from the United States will increase. A United States Government sponsored program to guarantee such loans to American corporations establishing distribution facilities in Ireland would mean more manufacturing jobs in the United States, while increasing the United States trade overseas, with the European community.

My legislation will provide up to \$200 million in loan guarantees through the Overseas Private Investment Corporation [OPIC] to carry out this worthwhile program allowing American corporations to raise low-cost funds in the U.S. capital markets.

It was the Irish who saved the vote on European Unity, known as Maastricht. Because of that, Ireland's role in the European Community is important and one that cannot be overlooked.

Moreover, Ireland has much to offer American businesses. Ireland has a large, well-educated labor force that is under-employed and its corporate tax rate is very low—10 percent for American companies until 2010.

I urge my colleagues to help bolster U.S. economic development by supporting this important legislation. Thank you Mr. President.

I ask unanimous consent that the text of my bill be included in the RECORD following my remarks.

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

S. 1264

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

SECTION 1. GUARANTEED LENDING PROGRAM FOR IRISH DEVELOPMENT.

The Foreign Assistance Act of 1961 is amended by inserting after section 231A (22 U.S.C. 2191a) the following new section:

"SEC. 231B. GUARANTEED LENDING PROGRAM FOR IRISH DEVELOPMENT.

"(a) PURPOSES.—The purposes of this section are—

"(1) to create more employment opportunities in the United States and Ireland; and

"(2) to increase United States exports to, and the United States trade surplus with, the European Community.

"(b) AUTHORITY.—During the period beginning on the date of enactment of this Act, and ending on September 30, 1995, the Overseas Private Investment Corporation (hereafter in this section referred to as the 'Corporation') shall, consistent with the purposes of subsection (a), issue guarantees against losses incurred in connection with loans to United States firms for the establishment or maintenance of low-cost, financially, viable distribution facilities in Ireland that utilize United States manufactured products and components.

"(c) TERMS AND CONDITIONS OF LOAN GUARANTEES.—

"(1) The total principal amount of guarantees which may be issued by the Corporation under this section shall not exceed \$200,000,000. The total amount of guarantees authorized under this section shall be made available during the period from the date of enactment of this Act through September 30, 1995, except that, in the event that less than \$200,000,000 of guarantees is issued in such period, the authority to issue the balance of such guarantees shall be available in the fiscal year ending on September 30, 1995. Each guarantee issued by the Corporation under this section shall guarantee 100 percent of the principal and interest payable on such loans.

"(2) Guarantees, once issued by the Corporation hereunder, shall be unconditional and fully and freely transferable.

"(3) The standard terms of any loan or increment guaranteed by the Corporation under this section shall be 30 years, with semiannual payments of interest only over the first 10 years, and with semiannual payments of principal and interest, on a level-payment basis, over the last 20 years thereof, except that the guaranteed loan or any increments issued in a single transaction may include obligations having different maturities, interest rates, and payment terms if the aggregate scheduled debt service for all obligations issued in a single transaction equals the debt service for a single loan or increment of like amount having the standard terms described in this sentence. For purposes of determining the maximum principal amount of any loan to be guaranteed under this section, the principal amount of each such loan shall be—

"(A) in the case of any loan issued on a discount basis, the original issue price (excluding any transaction costs) thereof; or

"(B) in the case of any loan issued on an interest-bearing basis, the stated principal amount thereof.

"(d) FEES.—(1) Reasonable origination or scoring charges for the loan guarantee program under this section are to be paid pro rata as each guarantee or increment of guarantee is issued. Such charges may be financed as part of the loans or increments guaranteed under this section. Except for the charges provided in this section, no other fees or charges shall be payable to the Corporation in connection with the loan guarantee program.

"(2) Paragraph (1) does not in any way preclude the voluntary participation of eligible investors in any other OPIC program which may or may not require the payment of charges.

"(e) NONAPPLICABILITY OF OTHER LAWS.—The loan guarantees authorized to be issued under this section may be made available under the terms and conditions specified in this section notwithstanding any other provision of law, rule, regulation, or practice, except for the Federal Credit Reform Act of 1990.

"(f) SUBJECT TO APPROPRIATIONS.—The authority to issue loan guarantees under this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts. Appropriations made pursuant to such authority are authorized to remain available during the period beginning on the date of enactment of this Act, and ending September 30, 1995.

"(g) SAVING PROVISION.—The termination of the authorities of this section on September 30, 1995, shall not affect any guarantee issued before such date." •

By Mrs. MURRAY (for herself and Mr. HATFIELD):

S. 1265. A bill to amend the Export Administration Act of 1979 to extend indefinitely the current provisions governing the export of certain domestically produced crude oil; to the Committee on Banking, Housing, and Urban Affairs.

CRUDE OIL LEGISLATION

• Mrs. MURRAY. Mr. President, today I rise to introduce S. 1265, a bill to amend the Export Administration Act of 1979. This legislation will extend indefinitely the provisions of the Act governing the export of Alaska North Slope crude oil. I am pleased that Senator HATFIELD is joining me in cosponsoring this effort to promote our national security and to save important maritime and domestic refinery jobs.

Since 1973, Congress has consistently expressed its overwhelming support for restrictions on the export of Alaska North Slope crude oil, including the export restrictions in the Export Administration Act, the Mineral Leasing Act, and other statutes. Under this policy, our country has promoted its national security by reducing our reliance upon unstable Persian Gulf oil supplies. The export restrictions have also led to the creation of an efficient transportation infrastructure to move Alaskan crude oil to West Coast domestic markets. As a result, consumers in Washington State and elsewhere have saved billions of dollars on the price of gasoline. In addition, export restrictions on Alaska North Slope crude oil have promoted construction and repair work in U.S.

shipyards, especially in our region of the country. Moreover, these restrictions have allowed us to augment and preserve a domestic merchant marine necessary to supply oil essential to the domestic economy and our military forces.

If we allow the export of Alaska North Slope crude oil we will sacrifice good, family wage jobs. A good portion of our domestic merchant marine will be lost. These mariners depend on the tanker trade provided by the transport of Alaska North Slope crude oil to refineries across the country. Of the approximately 2,500-3,000 workers in the Alaskan oil trade, roughly one-fourth are based in Washington. In addition, 300 workers are employed in the oil refineries that depend on North Slope crude to meet consumer demand in the Pacific Northwest. At a time when many timber and Boeing workers face uncertain employment prospects, a special premium should be placed on preserving existing, skilled jobs.

Alaska North Slope crude accounts for approximately 90 percent of the supply for the six refineries operating in the Puget Sound area. During the first 4 months of 1993, these refineries—which supply consumers in Washington and Oregon—have refined an average of approximately 500,000 barrels per day of Alaska North Slope crude. If exports are permitted, these refineries would face major conversion costs to refine other grades of oil. The conversion and the change in oil suppliers would cause higher crude oil prices that, if passed on to the consumer, would lead to increased costs for petroleum products. The State of Alaska, through higher royalties and severance taxes, might receive more revenues through exports, but it would be at the expense of the consumers and industry in the rest of the Pacific Northwest and California.

Mr. President, Energy Secretary O'Leary has stated that "[a] major energy policy of the new administration will be to reduce the nation's dependence on foreign oil." This bill advances the Administration's policy by continuing to restrict the export of Alaska North Slope crude oil, one of our most valuable domestic energy resources. Today, the approximately 1.6 million barrels per day produced on the Alaska North Slope crude represents about 25 percent of total U.S. consumption.

Critics who argue that Congress should lift the export restrictions on Alaska North Slope crude oil cannot justify why it is in the national interest. Every barrel of oil that is exported will eventually have to be replaced by foreign oil. Japan might benefit from this arrangement, but the United States would not. Lifting the ban on the export of this oil only increases our dependency on foreign oil. Arguments that lifting the ban will increase the well head price of the oil enough to encourage more production are mere speculation.

Last year, the State of Alaska filed a lawsuit in Federal District Court claiming that the export restrictions on Alaskan oil are unconstitutional. But the Constitution grants Congress and the President broad authority and discretion to regulate trade and to prohibit certain trade with other nations. The Constitution also empowers Congress with the right to impose conditions on the use of Federal rights-of-way to transport oil across it. Let us remember that it was the U.S. Senate that first demanded the export ban as part of the quid pro quo for granting Federal rights-of-way to allow the development and marketing of Alaska North Slope crude oil. For these reasons, I am sure that the legal action taken by the State of Alaska is bound to fail. In the interim, Congress should not hesitate to reaffirm its continuing commitment to restrict the export of Alaska North Slope crude oil.

Mr. President, the reasons for restricting the export of Alaska North Slope crude oil remain as compelling today as they were in 1973. This country has already been shaken by two major oil crises. Alaska North Slope oil provides an insurance policy to consumers on the west coast that the giant gasoline lines of yesterday will not reappear because of the irrational acts of some Middle East despot or a group of crazed religious zealots. Beyond that, refinery and maritime workers in the Pacific Northwest have invested their lives in an oil industry that depends on the continuation of the oil export ban. Lifting the ban would destroy their jobs. Lifting the ban would place additional burdens on communities that are already struggling for their economic existence. We must not allow this to happen. That is why I urge all my colleagues to join Senator HATFIELD and I in a truly bipartisan effort to continue to save Alaska North Slope crude oil for American workers, industry, and consumers.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1265

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

SECTION 1. EXTENSION OF RESTRICTIONS ON OIL EXPORTS.

Section 7(d) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(d)) is amended by adding at the end the following new paragraph:

"(4) Notwithstanding the provisions of section 20 or any other provision of law, this subsection shall remain in effect until expressly repealed. During any period during which this subsection is in effect (without regard to the application of the termination provision in section 20)—

"(A) all authorities under this Act may be exercised to the extent necessary to assure compliance with this subsection; and

"(B) the provisions of section 11 shall apply to violations under this subsection."

SEC. 2. CONFORMING AMENDMENT.

Section 20 of the Export Administration Act of 1979 (50 U.S.C. App. 2419) is amended by striking "The" and inserting "Except as provided in section 7(d)(4), the".

• Mr. HATFIELD. Mr. President, I am pleased to join Senator PATTY MURRAY in introducing legislation to extend indefinitely the current restrictions on exports of Alaskan North Slope crude oil contained in section 7(d) of the Export Administration Act. In previous years, Congress has expressed strong bipartisan support for these restrictions. I am confident that Congress will again affirm its commitment to promoting national energy security by passing this important legislation.

Since the Alaskan oil export restrictions were first exacted by Congress in 1973, they have provided enduring benefits for our Nation. We now have an efficient transportation infrastructure to move crude oil from Alaska to the lower 48 States and Hawaii. In addition, these restrictions have helped limit our reliance on OPEC and unstable Persian Gulf oil supplies. Consumers on the West Coast also have benefited, as they have been able to save billions of dollars at the pump. Furthermore, we have been able to enhance a domestic merchant marine that continues to help supply the essential oil requirements of our domestic economy and our military.

Despite the lessons of two major oil crises and the Persian Gulf War, we foolishly continue to rely on foreign oil as a major energy source. Government and private estimates predict that by the mid 1990's imports will be more than 50 percent of our daily oil requirement. Permitting the export of any Alaskan North Slope crude would only make this problem worse. By allowing the export of Alaskan oil to Japan and other Pacific Rim countries, we would further increase our dependency on Middle Eastern oil, increase consumer petroleum costs on the West Coast, threaten the vitality of our domestic tanker fleet, and cause net Federal revenues losses. Moreover, Alaskan oil exports would cause job losses in the maritime and related ship-supply industries on the West Coast. Mr. President, these are costs which this Nation simply cannot afford.

Our ability to withstand future energy crises will certainly be tested if we fail to take the appropriate steps now to protect our own energy resources. By extending indefinitely the current export restrictions on Alaskan crude oil in section 7(d) of the Act, we will reaffirm the policy of keeping this country on the right path toward energy security.

I commend Senator MURRAY for her leadership on this issue and look forward to working with her as the Senate considers this legislation. •

By Mr. MACK (for himself, Mr. BUMPERS, Mr. GRAHAM, Mr. COCHRAN, Mr. PRYOR, and Mr. SASSER):

S. 1266. A bill to amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the Medicaid Program, and for other purposes; to the Committee on Finance.

FAIRNESS IN MEDICAID FUNDING ACT

• Mr. MACK. Mr. President, as is too frequently the case in Washington, the Federal Government does not adequately target its resources to the citizens most in need of services. This is true, in particular, when it comes to how the Federal Government calculates the Medicaid matching funds formula. The existing Federal formula creates an unfair distribution of Medicaid dollars to the States.

To correct this inequity, I rise today to reintroduce the Fairness in Medicaid Funding Act.

The bill would change the Federal Medicaid matching funds formula and result in a more accurate and fair disbursement of these funds to the States. Over the last several years, the General Accounting Office [GAO] has evaluated the existing Medicaid formula and has concluded that it does not meet the objectives originally set up by Congress. GAO looked at these original objectives and developed an alternative formula. In its judgment, this new formula would do a much better job at allocating Medicaid dollars than the present formula. My bill would use the GAO formula not to change policy but only the process by which Medicaid dollars are allocated.

The essence of the existing Medicaid formula has been unchanged since 1965. The formula had two major purposes. First, Congress wanted to make certain the Federal matching funds reflected a State's ability to pay benefits to those in need.

And, second, Congress wanted to determine how many residents of each State needed Medicaid benefits. At the time—more than 25 years ago—policy-making believed that an estimate of a State's per capita income would adequately respond to both objectives.

Two and a half decades ago, a per capita income formula may well have done an acceptable job in meeting congressional intentions.

But during the past 25 years, the Federal Government has collected more and better economic data.

Today, there are much better measurements available, and we ought to use them.

A significant weakness of the current formula is that it does not adequately reflect a State's ability to pay benefits. In essence, the money a State can pay in Medicaid benefits depends upon how much income its residents and businesses produce.

A measurement of per capita income, however, reflects only part of the total

income produced by a State's residents and businesses.

Per capita income, for example, does not include corporate retained earnings, which is a significant share of a State's business income. This means that two States with the same per capita income may actually have significantly different abilities to pay Medicaid benefits.

The result is that States with relatively little corporate income may receive significantly less in Federal reimbursement than Congress intended.

In addition, the per capita income formula does not adequately measure the number of people in need of Medicaid benefits. That need is essentially determined by the number of residents with incomes low enough to qualify for Medicaid. Two states with roughly equal per capita incomes can have dramatically different percentages of residents qualifying for Medicaid. Yet, both States would receive the same matching rate from the Federal Government. This just doesn't make sense.

My proposal, built on the GAO's recommendations, would base the Federal share for Medicaid on:

First, per capita income plus corporate income produced within a State. This is a much more accurate measure of a state's ability to finance Medicaid benefits.

Second, the state's poverty ratio, which generally indicates the number of persons in each state who are in need of Medicaid benefits.

All of these statistics are already compiled for other purposes by the Federal Government.

According to GAO, approximately 25 States would receive the same or a higher Medicaid reimbursement rate under this legislation.

Mr. President, since becoming a U.S. Senator, one of my goals has been to make sure the Federal pie is fairly divided so that each State receives its fair share. In fact, Mr. President, the first bill I introduced in the U.S. Senate in 1989 would require Federal agencies to use updated U.S. Census statistics when calculating population-based grants.

The goal of the Fairness in Medicaid Funding Act of 1993 is the same. Its passage will ensure that States receive what they deserve and need from Washington, based upon an objective, fair and contemporary evaluation of each State's human needs of its citizens. •

• Mr. BUMPERS. Mr. President, the current Medicaid formula, which was adopted in 1965, had two major objectives: First, to reduce differences among States in medical care coverage for the poor, and second, distribute fairly the burden of financing program benefits among the States.

Studies by the General Accounting Office [GAO] have shown that these objectives are not being met by the current formula. The current formula allows States with relatively large tax

bases and low numbers of people in poverty to reap windfalls from the Federal treasury. In contrast, poorer States with low tax bases and high percentages of its residents living in poverty are being deprived of needed Federal assistance to improve the health of those most in need.

Our bill, the "Fairness in Medicaid Funding Act" will correct this inequity. Our proposal, built on GAO recommendations, would base the Medicaid Federal share for each State on a State's taxable resources and the percentage of its residents living in poverty.

Passage of the "Fairness in Medicaid Funding Act of 1993" will ensure that each State receives what it deserves and needs, based on an objective and fair evaluation of its economic and demographic environment.●

By Mr. HATFIELD:

S. 1267. A bill to amend the Dwight D. Eisenhower Mathematics and Sciences Education Act, and for other purposes; to the Committee on Labor and Human Resources.

MATH AND SCIENCE EDUCATION LEGISLATION

● Mr. HATFIELD. Mr. President, I suspect that each of us here has more than one recollection of a teacher whose influence brought about a turning point in our lives. There are celebrated cases, that of Jaime Escalante comes to mind—of teachers who performed the seemingly impossible—who found and fanned a flame in students who didn't even know the flame was there.

Today, I'm introducing legislation to enhance and extend what has been one of the real success stories in Federal support to education—the Dwight D. Eisenhower Mathematics and Science Education Act. In reauthorizing the Eisenhower program, Congress will affirm the educational validity of a national investment in teachers. Not in buildings or books, chemicals or computers, but in the minds that awaken life for individuals all over the world.

There are several reasons that this makes good sense. First, is the irreplaceability of the human touch. As marvelous and as promising as school technology has become, I don't believe it ever will or ever should replace the kind word, the sparkle, the personal insight, and the humanity of a teacher. Second, teachers return an investment over a longer period of time than does an investment in anything but buildings. Paper is consumed, books wear out, and computers are quickly outdated. But a dollar invested in a young teacher, gives a return every year for decades, and the return grows as the teacher continues to grow.

The success of the Eisenhower program is that grants flow through very few hands before being put to work in professional development opportunities for mathematics and science teachers. It is the sole program in the Depart-

ment of Education that specifically addresses National Education Goal No. 4: By the year 2000, U.S. students will be first in the world in science and mathematics achievement.

Mr. President, 10 years ago, the "Nation At Risk" report set in motion a deep assessment of education in America. At the forefront of this movement has been the major restructuring plans of the mathematics and science teaching communities. More than just plans, pilot projects throughout the Nation are indicating the vitality of these approaches that encourage children to engage their hands and minds in the scientific process.

North Carolina recently took the ambitious step of committing their schools to teach algebra to every student as a requirement for graduation. This challenging goal would be no more than ink on a page were it not for the support given by Eisenhower to local school districts for professional development for teachers.

After using local State funds to write a whole new framework for math and science education, the State of Texas used Eisenhower funds to provide the necessary training for teachers to actually carry it out in the classroom.

The Woodrow Wilson Foundation has supplemented funds from the private sector with Eisenhower grants to form teams of master teachers who give workshops to their colleagues across the Nation. The program's theme is "Teachers Teaching Teachers."

Iowa Higher Education joined parents and teachers in a workshop for underserved and underrepresented students. The teachers developed and demonstrated effective teaching methods with the students, and simultaneously assisted the parents in learning how they could enhance their children's science experiences in the home. Thus was a formed a potent educational team of school and community.

In my own State of Oregon the Ashland School District has brought together math teachers representing the district's schools to formulate policy. With Eisenhower money they have organized regular inservices that have invigorated the math teachers to new enthusiasm for their subject. The teachers report that they willingly spend more time because of the heightened rewards.

In each case the Eisenhower program has brought funds and empowerment to teachers who have taken the opportunity and made the most of it.

I have long advocated the necessity of challenging, effective math and science education. Without an increased emphasis on these subjects, this Nation, whose strength for a century has been built on its technological supremacy, will begin to fade.

The legislation I am introducing today provides for the continuation of the Eisenhower program and suggests

several improvements to the authorizing legislation. I am anxious to work with my colleagues on the Senate Labor and Human Resources Committee as they prepare the reauthorization of the Elementary and Secondary Education Act, to ensure that the Eisenhower program continues and is strengthened to more fully reflect the current state of mathematics and science education in the country.

In 1990, President Bush signed into law the Excellence in Mathematics, Science and Engineering Education Act, Public Law 101-589. This legislation, which I sponsored with Senator KENNEDY, contained two new programs—a national network of 10 regional consortia around the country to provide technical assistance to local educators undergoing reform of their math and science programs, and the National Clearinghouse for Science, Mathematics and Technology Education Materials—a central repository of all math and science teaching and curricular materials to be disseminated through the consortia to schools. The legislation I am introducing today contains reauthorization for these programs, which are currently operating around the country, and adjustments to their missions.

In addition, my legislation renews an idea contained in the original Kennedy-Hatfield bill which provided for a demonstration project in early childhood education. I envisioned this program as providing for early childhood science materials and teacher training in Head Start classrooms—an idea I term "Science Start." I am hopeful that we will be able to replicate, on a national level, a program in place at Marylhurst College in my own State of Oregon. Marylhurst, under the direction of President Nancy Wilgenbusch, hosts a Head Start Summer Science Institute each year which is designed to nurture Head Start educators in the teaching of science education. Teachers leave the 4-week summer institute fully trained to teach a curriculum designed for young children using science kits and lesson plans provided to them by Marylhurst. The program generates a partnership between Head Start, local colleges and community resources to address the issues of: First, nurturing the children's natural interest in science; and second, helping the teachers develop the skills and confidence to teach science to their students.

I have also included in my legislation, S. 232, a bill I introduced earlier in this Congress entitled the "Elementary Mathematics and Science Equipment Act of 1993"—this legislation provides small grants to schools in order to purchase hands-on elementary education equipment. Not directed at computer software or graphics, this legislation authorizes matching grants for the basics—thermometers, pH paper and the like—all necessary to engage

the young child in the intriguing world of science. I am convinced this legislation, which was included in last year's version of a bill to reauthorize the Office of Education Research and Improvement, belongs in the Eisenhower program, as a key element in the partnership between the States and the Federal Government in mathematics and science education reform.

Finally, my legislation includes several refinements to the Eisenhower program itself. I have canvassed Eisenhower-supported educators throughout the country and compiled adjustments to the legislation which I believe will enhance its usefulness in the field. My bill places a priority on elementary programs and opens competition for funds to consortia and public-private partnerships. In addition, the bill's language strengthens minority teacher recruiting and retraining by including the underserved and underrepresented as well as minorities.

Mr. President, we have a clear need for revitalization of math and science education, and we have structures being tested that will support this revolution. Now we must move to broad implementation, and on this point is universal agreement: the mechanism that will carry reform beyond the pilot stage is professional development for teachers. No reform can occur without it. The good news is that the mechanism is in place, and despite its small size it has already played a large part in driving math and science reform to its current leadership position. It is the Dwight D. Eisenhower Mathematics and Science Education Act and it needs our continued support.

I ask unanimous consent that the text of this legislation be printed in the RECORD following my remarks.

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

S. 1267

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

SECTION 1. AMENDMENT OF THE DWIGHT D. EISENHOWER MATHEMATICS AND SCIENCE EDUCATION ACT.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Dwight D. Eisenhower Mathematics and Science Education Act.

SEC. 2. IN-STATE APPORTIONMENT.

Paragraph (1) of section 2005(c) (20 U.S.C. 2985(c)(1)) is amended—

(1) by striking "or institution" and inserting ", institution"; and

(2) by inserting ", nonprofit organization, museum, or public or private partnership" after "higher education".

SEC. 3. ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.

Section 2006 (20 U.S.C. 2986) is amended—

(1) in paragraph (1) of subsection (b)—
(A) in subparagraph (B), by inserting ", or teachers who are members of populations

that are underserved by and underrepresented in mathematics and science education," after "minority teachers"; and

(B) in subparagraph (C)—

(i) by inserting "calculators," after "use of"; and

(ii) by striking all beginning with "(which" through "met)";

(2) in subsection (d)—

(A) by amending paragraph (1) to read as follows:

"(1) GENERAL RULE.—Except as provided in paragraph (2), at least 60 percent of the amount available to a local educational agency under this section in each fiscal year shall be used to provide training for mathematics teachers and science teachers in elementary or middle schools."

(B) in paragraph (2)—

(i) by striking "elementary and middle" and inserting "elementary or middle"; and

(ii) by inserting ", as the Secretary determines appropriate," after "such local educational agency"; and

(C) by adding at the end the following new paragraph:

"(3) SPECIAL RULE.—Each local educational agency receiving assistance under this section shall make every effort to give priority to coordinating teacher training in the use of hands-on manipulatives received under this section with the materials received under subpart 3, and to include in such training the recipients of such materials."

SEC. 4. HIGHER EDUCATION PROGRAMS.

Section 2007 (20 U.S.C. 2987) is amended—

(1) in subsection (b)—

(A) by amending subparagraph (B) of paragraph (1) to read as follows:

"(B)(i) The State agency for higher education, from not less than 80 percent of the amount available for this section, shall award grants on a competitive basis to institutions of higher education, nonprofit organizations, museums, and public or private partnerships in the State which apply for payments under this section and which demonstrate involvement of local educational agencies.

"(ii) The State agency for higher education, from not more than 20 percent of the amount available under this subsection, may award grants, on a noncompetitive basis, for purposes of addressing the needs of populations that are underserved by and underrepresented in mathematics and science education, to institutions of higher education, nonprofit organizations, museums, and public or private partnerships in the State which apply for payments under this section and which demonstrate involvement of local educational agencies.

"(iii) In awarding grants under this section the State agency for higher education shall make every effort to ensure equitable participation of private and public institutions of higher education."; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking "who will specialize in teaching mathematics and science at the secondary school level" and inserting "of mathematics and science at the elementary and secondary school levels";

(ii) in subparagraph (B)—

(I) by inserting ", and for training of elementary school teachers to increase such teachers' content knowledge of mathematics and science," before "including"; and

(II) by striking "and" after the semicolon; and

(iii) in subparagraph (C)—

(I) by striking "teaching skills" and inserting "content knowledge, teaching skills,

and instructional practices based on current research";

(II) by striking the period at the end and inserting "; and"; and

(III) by adding at the end the following new subparagraph:

"(D) recruiting and training minority students to become mathematics and science teachers.";

(2) by amending subsection (d) to read as follows:

"(d) TECHNICAL ASSISTANCE AND EVALUATION.—Not more than 5 percent of the amount available under this section, or \$30,000, whichever is greater, may be used by the State agency for higher education for—

"(1) providing technical assistance to local educational agencies, institutions of higher education, and nonprofit organizations, including museums and libraries, to enable such entities to conduct programs in accordance with this section;

"(2) the costs incurred by the State agency for higher education for evaluating programs assisted under this subpart; and

"(3) developing plans for reform of teacher preparation in mathematics and science at the State level."; and

(3) by adding at the end the following new subsection:

"(e) ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount available under this section, or \$20,000, whichever is greater, may be used by the State agency for higher education for the costs of the administration and assessment of programs assisted under this subpart."

SEC. 5. STATE APPLICATION.

Subsection (d) of section 2008 (20 U.S.C. 2988(d)) is amended by adding at the end the following new paragraph:

"(5) How the programs planned under this subpart reflect consideration of the emerging standards in mathematics and science."

SEC. 6. LOCAL APPLICATION.

Section 2009 (20 U.S.C. 2989) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by inserting "and how the activities and services for which assistance is sought reflect consideration of the emerging standards in mathematics and science" before the semicolon; and

(B) in paragraph (3)—

(i) by striking "Foundation, or" and inserting "Foundation or"; and

(ii) by striking "both" and inserting "with respect to any other Federal program that supports a clearly articulated State or local education reform plan"; and

(2) by adding at the end the following new subsection:

"(d) APPLICABILITY OF REGULATIONS UNDER OTHER MATHEMATICS OR SCIENCE EDUCATION PROGRAMS.—Notwithstanding the provisions of subsection (b)(3), in carrying out the provisions of this subpart a State educational agency, local educational agency or institution of higher education shall not be required to comply with regulations promulgated pursuant to any Federal mathematics or science education program other than regulations promulgated pursuant to this subpart."

SEC. 7. NATIONAL PROGRAMS.

Section 2012 (20 U.S.C. 2992) is amended—

(1) in subsection (d)—

(A) in the heading for such subsection, by inserting "EISENHOWER" before "NATIONAL CLEARINGHOUSE";

(B) in paragraph (1), by striking "a National" and inserting "an Eisenhower National"; and

(C) in paragraph (4)—

(i) in subparagraph (C), by striking "and" after the semicolon;

(ii) in subparagraph (D), by striking "and non-Federal data bases." and inserting "non-Federal and, where feasible, international data bases."; and

(iii) by adding at the end the following new subparagraphs:

"(E) participate in collaborative meetings of representatives of the Clearinghouse and the regional consortiums under subpart 2 of this part to discuss issues of common interest and concern, to foster effective collaboration and cooperation in acquiring and distributing curriculum materials and programs, and to coordinate computer network access to the Clearinghouse and the resources of the regional consortiums, except that not more than 3 percent of the funds awarded under this section shall be used to carry out this subparagraph; and

"(F) gather qualitative and evaluative data on submissions to the Clearinghouse."; and

(2) by adding at the end the following new subsection:

"(f) MODEL SCIENCE START PROGRAMS FOR THE INTRODUCTION OF SCIENCE IN EARLY CHILDHOOD EDUCATION.—

"(1) GRANTS AUTHORIZED.—(A) The Secretary may award grants to organizations to enable such organizations to support model programs that provide instruction to Head Start personnel regarding the introduction of science activities to children enrolled in Head Start programs.

"(B) Grants awarded under this subsection shall be known as Science Start Grants.

"(2) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to applicants that demonstrate the ability to—

"(A) provide teacher training programs that involve participants in hands-on activities similar to activities that are intended for students;

"(B) attract broad teacher participation;

"(C) use classroom teachers as instructors;

"(D) provide those materials required by the activities described in subparagraph (A), but not commonly found in Head Start classrooms, except that not more than 25 percent of the funds awarded to any organization for a model program shall be used to carry out this subparagraph; and

"(E) provide for periodic followup activities conducted, at minimum, during a 6-month period.

"(3) DISSEMINATION.—Each recipient of a grant under this subsection shall report the results of the model program to the Eisenhower National Clearinghouse for Mathematics and Science Education in an appropriate format for dissemination.

"(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$1,000,000 for fiscal year 1994 and such sums as may be necessary for each succeeding fiscal year to carry out this subsection."

SEC. 8. EISENHOWER REGIONAL MATHEMATICS AND SCIENCE EDUCATION CONSORTIUMS.

(a) AMENDMENT TO HEADING.—The heading for subpart 2 (20 U.S.C. 2994 et seq.) is amended by inserting "Eisenhower" before "Regional".

(b) AMENDMENT TO TEXT.—Subsection (a) of section 2016 (20 U.S.C. 2994(a)) is amended by adding at the end the following new paragraph:

"(4) DESIGNATION.—Each regional consortium assisted under this section shall be known as an 'Eisenhower regional consortium'."

SEC. 9. USE OF FUNDS.

Section 2017 (20 U.S.C. 2994a) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) work cooperatively with the other regional consortiums and the National Clearinghouse for Science and Mathematics Education established under section 2012(d) to more effectively accomplish the activities described in this section;";

(2) by amending paragraph (8) to read as follows:

"(8) assist State and local educational agencies in identifying science equipment needs and help such agencies or consortia thereof assess the need for and desirability of regional mathematics and science academies;";

(3) by amending paragraph (14) to read as follows:

"(14) identify exemplary teaching practices and materials from within the region and communicate such practices and materials to the Eisenhower National Clearinghouse for Mathematics and Science Education;";

(4) in paragraph (15), by striking "and" after the semicolon;

(5) in paragraph (16), by striking the period; and

(6) by adding at the end the following new paragraphs:

"(17) communicate, on a regular basis, with entities within the region who are delivering services to students and teachers of mathematics and science, including, at a minimum, State supervisors of mathematics and science, State coordinators of programs assisted under this part, the Director of the regional education laboratory, personnel of the National Diffusion Network, the regional laboratories supported by the Department of Energy, a principal investigator or program director of the National Science Foundation State Systemic Initiative within the region served by the regional consortium, and the Directors of the Eisenhower National State Curriculum framework grant programs within the region served by the Eisenhower regional consortium;

"(18) participate in collaborative meetings of representatives of the Eisenhower National Clearinghouse for Science and Mathematics Education and the regional consortiums to discuss issues of common interest and concern, to foster effective collaboration and cooperation in acquiring and distributing curriculum materials and programs, and to coordinate computer network access to the Clearinghouse and resources of the regional consortiums, except that not more than 5 percent of the funds awarded to a regional consortium under this section shall be used to carry out this paragraph;

"(19) provide technical assistance to State educational agencies and local educational agencies for evaluation of mathematics and science programs;

"(20) assist in the development of State and regional plans and activities that hold promise of bringing about systemic reform in student performance in mathematics and science; and

"(21) assist in the coordinated implementation of the kindergarten through twelfth grade programs of the Federal Coordinating Council for Science, Engineering and Technology in the regions."

SEC. 10. REGIONAL BOARDS.

Subsection (b) of section 2019 (20 U.S.C. 2994c(b)) is amended by inserting "and", except that at the discretion of a regional board, Federal funds may be used to provide assistance such as travel and accommodations for board members who could not otherwise afford to participate as members of the board" before the period.

SEC. 11. FEDERAL SHARE.

Section 2020 (20 U.S.C. 2994e) is amended—

(1) by amending subsection (b) to read as follows:

"(b) FEDERAL SHARE.—For the purpose of subsection (a), the Federal share shall be 80 percent."; and

(2) in subsection (c), by adding at the end the following new sentence: "At least 25 percent of such non-Federal share shall be from sources other than the Federal Government or State or local government."

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

Section 2023 (20 U.S.C. 2994g) is amended by striking "\$17,000,000 for the fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993" and inserting "\$23,000,000 for the fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995, 1996, 1997, and 1998".

SEC. 13. DEFINITIONS.

Section 2031 (20 U.S.C. 2996) is amended by adding at the end the following new paragraph:

"(3) The terms 'mathematics' and 'science' include the technology education associated with such mathematics and science, respectively."

SEC. 14. ELEMENTARY SCIENCE AND MATHEMATICS EQUIPMENT.

Part A (20 U.S.C. 2981 et seq.) is amended by inserting after section 2023 the following new subpart:

"Subpart 3—Elementary Mathematics and Science Equipment

"SEC. 3031. SHORT TITLE.

"This subpart may be cited as the 'Elementary Mathematics and Science Equipment Act'.

"SEC. 3032. STATEMENT OF PURPOSE.

"It is the purpose of this subpart to raise the quality of instruction in mathematics and science in the Nation's elementary schools by providing equipment and materials necessary for hands-on instruction through assistance to State and local educational agencies and schools.

"SEC. 3033. PROGRAM AUTHORIZED.

"(a) GRANTS.—The Secretary is authorized to make allotments to State educational agencies under section 3034 to enable such agencies to award grants to local educational agencies for the purpose of providing equipment and materials to elementary schools to improve mathematics and science education in such schools.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$30,000,000 for fiscal year 1994, and such sums as necessary for each of the fiscal years 1995, 1996, 1997, and 1998, to carry out this subpart.

"SEC. 3034. ALLOTMENTS OF FUNDS.

"(a) IN GENERAL.—From the amount appropriated under section 3033(b) for any fiscal year, the Secretary shall reserve—

"(1) not more than one-half of 1 percent for allotment among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau according to their respective needs for assistance under this subpart; and

"(2) one-half of 1 percent for programs for Indian students served by schools funded by the Secretary of the Interior which are consistent with the purposes of this subpart.

"(b) ALLOTMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and from the amount not reserved pursuant to subsection (a), the Secretary shall make allotments among State educational agencies in the States as follows:

"(A) One-half of such remainder shall be distributed among such State educational agencies by allotting to each State educational agency an amount which bears the same ratio to such one-half of such remainder as the number of children aged 5 to 11, inclusive, in the State bears to the number of such children in all States.

"(B) One-half of such remainder shall be distributed among such State educational agencies according to each State's share of allocations under chapter 1 of title I of this Act.

"(2) MINIMUM.—No State shall receive in any fiscal year an allotment under paragraph (1) which is less than—

"(A) one-half of 1 percent of the amount available under this subsection in such fiscal year; or

"(B) the amount allotted to such State for fiscal year 1988 under title II of the Education for Economic Security Act.

"(c) REALLOTMENT OF UNUSED FUNDS.—The amount of any State's allotment under subsection (b) for any fiscal year to carry out this subpart which the Secretary determines will not be required for that fiscal year to carry out this subpart shall be available for reallocation from time to time, on such dates during that year as the Secretary may determine, to other States in proportion to the original allotments to those States under subsection (b) for that year but with such proportionate amount for any of those other States being reduced to the extent it exceeds the sum the Secretary estimates that the State needs and will be able to use for that year, and the total of those reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amounts reallocated to a State under this subsection during a year shall be deemed a part of its allotment under subsection (b) for that year.

"(d) DEFINITIONS.—For the purposes of this subpart—

"(1) the term 'Secretary', unless otherwise specified, means the Secretary of Education; and

"(2) the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(e) DATA.—The number of children aged 5 to 11, inclusive, in a State and in all States shall be determined by the Secretary on the basis of the most recent satisfactory data available to the Secretary.

"SEC. 3035. STATE APPLICATION.

"(a) APPLICATION.—Each State educational agency desiring to receive an allotment under this subpart shall file an application with the Secretary which covers a period of 5 fiscal years. Such application shall be filed at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each application described in subsection (a) shall—

"(1) provide assurances that—

"(A) the State educational agency shall use the allotment provided under this subpart to award grants to local educational agencies within the State to enable such local educational agencies to carry out the purpose of this subpart;

"(B) the State educational agency will provide such fiscal control and funds accounting as the Secretary may require;

"(C) every public elementary school in the State is eligible to receive a grant under this subpart once over the 5-year duration of the program assisted under this subpart;

"(D) funds provided under this subpart will supplement, not supplant, State and local

funds made available for activities authorized under this subpart;

"(E) during the 5-year period described in the application, the State educational agency will evaluate its standards and programs for teacher preparation and inservice professional development for elementary mathematics and science;

"(F) the State educational agency will take into account the needs for greater access to and participation in mathematics and science by students and teachers from historically underrepresented groups, including females, minorities, individuals with limited-English proficiency, the economically disadvantaged, and individuals with disabilities; and

"(G) the needs of teachers and students in areas with high concentrations of low-income students and sparsely populated areas will be considered in awarding grants under this subpart;

"(2) provide a description of how funds made available under this subpart will be coordinated with State and local funds and other Federal resources, particularly with respect to programs for the professional development and inservice training of elementary school teachers in science and mathematics; and

"(3) describe procedures—

"(A) for submitting applications for assistance in accordance with sections 3036 and 3037;

"(B) for the distribution of grant payments under this subpart within the State; and

"(C) for approval of applications by the State educational agency, including appropriate procedures to assure that such agency will not disapprove an application without notice and opportunity for a hearing.

"(c) STATE ADMINISTRATION.—Not more than 5 percent of the funds allotted to each State educational agency under this part shall be used for the administrative costs of such agency associated with carrying out the program assisted under this subpart.

"SEC. 3036. LOCAL APPLICATION.

"(a) APPLICATION.—A local educational agency that desires to receive a grant under this subpart shall submit an application to the State educational agency. Each such application shall contain assurances that each school served by the local educational agency shall be eligible for only one grant under this subpart.

"(b) CONTENTS OF APPLICATION.—Each application described in subsection (a) shall—

"(1) provide assurances that the local educational agency shall use the grant such agency receives under this subpart to award grants to schools served by such agency to enable such schools to carry out the purpose of this subpart;

"(2) describe how the local educational agency plans to set priorities on the use and distribution among schools of grant funds received under this subpart to meet the purpose of this subpart;

"(3) include assurances that the local educational agency has made every effort to match on a dollar-for-dollar basis from private or public sources the grant funds received under this subpart, except that no such application shall be penalized or denied assistance under this subpart based on failure to provide such matching funds;

"(4) describe how funds under this subpart will be coordinated with State, local, and other Federal resources, especially with respect to programs for the professional development and inservice training of elementary school teachers in science and mathematics; and

"(5) describe the process which will be used to determine different levels of grant amounts to be awarded to schools with different needs.

"(c) PRIORITY.—In awarding grants under this subpart, the State educational agency shall give priority to local applications that—

"(1) assign highest priority to providing assistance to schools which are most seriously under-equipped;

"(2) are attentive to the needs of underrepresented groups in science and mathematics;

"(3) demonstrate how science and mathematics equipment will be part of a comprehensive plan of curriculum planning or implementation and teacher training supporting hands-on laboratory activities;

"(4) give priority to providing equipment and materials for students in grades 1 through 6; and

"(5) provide assurances that equipment and materials provided under this subpart shall be equitably available to all children in the classroom.

"SEC. 3037. PARTICIPATION OF PRIVATE NON-PROFIT ELEMENTARY SCHOOLS.

"(a) PARTICIPATION OF PRIVATE SCHOOLS.—To the extent consistent with the number of children in the State or in the school district of each local educational agency who are enrolled in private nonprofit elementary schools, such State educational agency shall, after consultation with appropriate private school representatives, make provision to include services and arrangements for the benefit of such children as will assure the equitable participation of such children in the purpose and benefits of this subpart.

"(b) WAIVER.—If by reason of any provision of State law a local educational agency is prohibited from providing for the participation of children or teachers from private nonprofit elementary schools as required by subsection (a), or if the Secretary determines that a State or local educational agency has substantially failed or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirements and shall arrange for the provision of services to such children or teachers subject to the requirement of this subpart. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements described in section 1017.

"SEC. 3038. PROGRAM REQUIREMENTS.

"(a) COORDINATION.—Each State educational agency receiving a grant under this subpart shall—

"(1) disseminate information to school districts and schools, including private nonprofit elementary schools, regarding the grant program assisted under this subpart;

"(2) evaluate applications of local educational agencies;

"(3) award grants to local educational agencies based on the priorities described in section 3036(c); and

"(4) evaluate local educational agencies' end-of-the-year summaries.

"(b) LIMITATIONS ON USE OF FUNDS.—

"(1) IN GENERAL.—Grant funds and matching funds under this subpart only shall be used to purchase science equipment, science materials, or mathematical manipulative materials and shall not be used for computers, computer peripherals, software, textbooks, or staff development costs.

"(2) CAPITAL IMPROVEMENTS.—Grant funds under this subpart may not be used for capital improvements. Not more than 50 percent of matching funds provided by the local educational agency may be used for capital improvements of classroom science facilities to

support the hands-on instruction that this subpart is intended to support, such as the installation of electrical outlets, plumbing, lab tables or counters, or ventilation mechanisms.

"SEC. 3039. FEDERAL ADMINISTRATION.

"(a) TECHNICAL ASSISTANCE AND EVALUATION PROCEDURES.—The Secretary shall provide technical assistance and, in consultation with State and local representatives of the program assisted under this subpart, shall develop procedures for State and local evaluations of the programs assisted under this subpart.

"(b) REPORT.—Beginning 1 year after the date of enactment of this subpart and each year thereafter, the Secretary shall report to the Congress on the program assisted under this subpart."

SEC. 15. TECHNICAL AMENDMENT.

The heading for part C of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2996) (as added by Public Law 101-589) is amended by striking "**PART C—GENERAL PROVISIONS**" and inserting "**Subpart 4—General Provisions**".

By Mr. WOFFORD:

S. 1268. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to rules governing litigation contesting termination or reduction of retiree health benefits; to the Committee on Labor and Human Resources.

RETIREE HEALTH BENEFIT PROTECTION ACT

Mr. WOFFORD. Mr. President, in 1991, the people of Pennsylvania sent a wake-up call to Washington that our Nation's health care system is in crisis. Cost are skyrocketing out of control. Two million Americans lose their insurance coverage each month, and 100,000 of them never get it back. And millions more—almost of all us—live in fear that the health benefits we do have won't be there when we need them most.

This country still has the best quality health care in the world. But everything that's wrong with our health care system is threatening everything that's right about our health care system. There's no better example of the insecurity now facing most Americans—especially the middle class—than the growing number of companies that are cutting back or cutting off retiree health benefits. The United States is just about the only industrialized nation where we leave health care to the luck of the draw. More and more Americans are losing the gamble.

Health insurance isn't a game that any of us can afford to lose. Because the result, for an expectant mother, an unemployed worker or older citizen in need of care is to reach the door of the doctor's office or hospital, unable to answer the threshold question: How are you planning to pay?

We're all feeling insecure, because we're all at risk. If we lose a job, change a job, have a serious illness. My wife was afraid that if I lost my election her preexisting condition would soon lock us out of insurance and we'd never be able to afford to pay the medi-

cal bills for her care. But now, you don't even have to lose a job to lose your coverage. All you have to do is retire from one. The fact is that across this country workers who've dedicated 20, 30 years or more of their lives to their companies are being left out in the cold by cutbacks in retiree health benefits—benefits they fought for, worked for, and were promised by their employers.

These are people who showed up to work every day, paid their taxes, paid their dues, and often took lower wages in order to receive retiree health benefits. And now, when the rug is pulled out from under them, they have no place to turn. The kind of price tags that insurance companies put on plans when you're old and sick are right through the roof. Because they'd rather insure those who are young and healthy.

In Philadelphia this past April, I joined a rally with hundreds of retired Unisys workers who are losing their health benefits. Like many other groups of retirees around the country, they've filed a lawsuit to compel their former employer to make good on its promises. In the last few months, more and more companies have either reduced retiree health benefits or dropped coverage altogether—because costs are out of control. One recent study found that two-thirds of companies plan to recede retiree health benefits. Others are cutting off those benefits entirely.

That doesn't just hurt the retirees involved. It affects all of us. When companies cut off retiree benefits, what they're really doing is shifting those health care costs right onto the taxpayers. Because many of those other citizens will have to turn to Medicare and Medicaid. It's just one more reason we need action on comprehensive health care reform that guarantees all Americans health coverage regardless of where they live or work; regardless of whether they're sick or retired. That's the next main order of business after we pass a 5 year deficit reduction plan that puts our economy back on the right track.

There's a tough, hard battle ahead to create a system that provides real health security. There are special interests who will fight health care reform every step of the way. And our retired workers can't wait. And we can't let companies write them off.

I propose to do more. Today I'm introducing the Retiree Health Benefits Protection Act. It will help retired workers maintain their promised health benefits in court and give companies second thoughts before trying to back out of their legal obligations.

The legislation will put the burden on employers to prove that their contracts clearly permit cutbacks in retiree health benefits. And unlike the situation today in which retirees get

left high and dry while the lawyers argue, it would require those employers to continue paying benefits while the case is in court.

This is a matter of simple justice and basic fairness. It doesn't impose any new burdens on employers. It says: live up to your promises and fulfill the contracts you agree to. Nothing more. Nothing less.

We'll work with corporate America to control health costs. We know it's a problem that's eating into profits and productivity. But in the meantime, we challenge them to show responsibility by keeping their promises to retirees. In fact, this is a moment when I urge every player in our health care system to respond to the facts of a system that's out of control. Don't wait. Go forward now. Let your actions, as much as your words, be part of the health care reform debate.

Show, as Merck and Miles pharmaceuticals have, that price increase can be retained. Insurance companies don't increase premiums. Hospitals and doctors don't increase your rates. Business executives, don't cut retiree benefits. Make sure that promises made to workers and their families are promises kept.

Because nothing will ensure greater support for the Retiree Health Benefits Protection Act than companies that fail to take responsibility and keep their promises to workers and families.

To our older citizens who worked hard so they could enjoy some peace and security during their retirement, this legislation says: "You have a right to what you earned."

Until we've enacted a plan that turns the right to affordable health care into a reality and controls skyrocketing costs, we won't let you and your promised benefits fall through the cracks. Because your health security can't wait. This bill helps ensure that for retirees, health security won't wait. It begins today.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1268

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 "Retiree Health Benefits Protection Act".

SEC. 2. RULES GOVERNING LITIGATION INVOLVING THE TERMINATION OR REDUCTION OF RETIREE HEALTH BENEFITS.

(a) IN GENERAL.—Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

"SEC. 516. RULES GOVERNING LITIGATION INVOLVING RETIREE HEALTH BENEFITS.

"(a) MAINTENANCE OF BENEFITS.—If—
 "(1) retiree health benefits are to be terminated or reduced under an employee welfare benefit plan, and

"(2) an action is brought to enjoin or otherwise modify such termination or reduction.

the court shall order the plan to maintain the retiree health benefits at the level in effect immediately before the termination or reduction while the action is pending. The preceding sentence shall not apply to any action which the court determines is clearly without merit.

"(b) BURDEN OF PROOF.—If, in any action described in subsection (a)(2), the terms of the employee welfare benefit plan (as in effect at the time of an employee's retirement or disability) are ambiguous or silent as to whether retiree health benefits may be terminated or reduced under the plan, the benefits shall not be terminated or reduced unless the plan (or the employer or employers maintaining it) establishes by a preponderance of the evidence that the plan (as so in effect) allows such termination or reduction.

"(c) REPRESENTATION.—Notwithstanding any other provision of law, an employee representative of any retired employee or the employee's spouse or dependents may—

"(1) bring an action described in subsection (a)(2) on behalf of such employee, spouse, or dependents, or

"(2) appear in such an action on behalf of such employee, spouse, or dependents.

"(d) RETIREE HEALTH BENEFITS.—For purposes of this section, the term 'retiree health benefits' means health benefits (including coverage) which are provided to—

"(1) retired or disabled employees who, immediately before the termination or reduction, are entitled to receive such benefits upon retirement or becoming disabled, and

"(2) their spouses and dependents."

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 515 the following new item:

"Sec. 516. Rules governing litigation involving retiree health benefits."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions relating to terminations or reductions of retiree health benefits which are pending, or brought, on or after July 20, 1993.

By Mr. LEAHY (for himself and Mr. HARKIN):

S. 1269. A bill to amend the National School Lunch Act to protect school districts and the Department of Agriculture from anticompetitive activities of suppliers that sell commodities to schools that participate the School Lunch Program, the School Breakfast Program, the Special Milk Program, and the Summer Food Service Program for children, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SCHOOL LUNCH PROTECTION ACT OF 1993

Mr. LEAHY. Mr. President, last session we exposed drug manufacturers defrauding the WIC Program. Today we find the School Lunch Program similarly under assault by those who price gouge and cheat schoolchildren. I am outraged that I must come to the Senate floor a second time to defend child nutrition programs from price-fixing.

Corporate sharks are taking lunch money right out of the hands of our children, and I want this stopped before school starts this fall.

The issue here is simple: corporate profits being placed ahead of needy children. I will not stand for that. If I have to choose between a hungry child and a corporation, I will pick the child every time.

Taxpayers spend \$7.3 billion annually on food for Child Nutrition Programs. Because the School Lunch Program serves 24 million meals a day, the potential for fraud is enormous. For milk alone, schools spend approximately \$794 million annually nationwide.

The cost of bid-rigging schemes to taxpayers amounts to hundreds of millions of dollars. And the real losers in these schemes, those who pay the highest price, are children.

The Antitrust Division of the Department of Justice filed 96 criminal cases against 52 corporations and 64 individuals in the food industry who supply milk for schools and the military. The Justice Department has done a great job in investigating and prosecuting these cases. I appreciate their continuing efforts.

These violations include not just bid-rigging and price-fixing conspiracies but also mail fraud, perjury, lying to a Federal grand jury, and obstruction of justice.

More than 30 grand jury investigations in 22 States continue to investigate the food and dairy industries responsible for providing food and milk to America's schools.

Some of our Nation's largest food service and dairy companies have been convicted by the Department of Justice. These companies include Borden, Pet Milk, Syco, Flav-O-Rich, Southland, Dean Foods, Meadow Gold Dairy, Holland Dairies, Dairy Fresh, and more.

Although I am a strong supporter of the dairy industry, especially dairy farmers, I cannot tolerate cheating America's schoolchildren.

The message of the bill is loud and clear—price-fixing that puts profits ahead of schoolchildren will not be tolerated. Companies or individuals convicted of cheating Child Nutrition Programs will be barred from participating in these programs.

The penalties in this bill will make corporations think twice about bid-rigging.

Under current law, companies can rig school lunch bids, fix prices, get caught and convicted, and then continue to sell foods at a profit to schools. This bill prohibits rewarding those who steal from taxpayers and schoolchildren.

This legislation sets up an investigative unit to detect and deter bid-rigging schemes. Passage of this bill sends a strong signal that we will not tolerate stealing from our children. And for those who continue to try—they will be caught and this bill requires that those companies guilty of fraud be mandatorily barred from continuing to supply food to schools.

I invite my colleagues to join with me today in sponsoring the Child Nutrition Protection Act of 1993. Every Member, whether Republican or Democrat, should support this legislation.

The bill:

Requires USDA to bar companies from participating in school-based Child Nutrition Programs for a minimum of one year if they are convicted of price-fixing or bid-rigging;

Requires barring a company from the programs for at least 3 years, upon a repeat conviction;

Requires that the Secretary assist States, law enforcement officials, and schools regarding ways to prevent and identify bid-rigging;

Requires the Secretary of Agriculture to fully cooperate with the Department of Justice in these matters; and

Authorizes the appropriation of \$4 million per year to provide financial assistance and other support to State attorney generals and school food service authorities to assist in the prevention or prosecution of anti-competitive activities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1269

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 "School Lunch Protection Act of 1993".

SEC. 2. FINDINGS.

Congress finds that—

(1) in recent years, there has been an alarming number of instances of price-fixing and bid-rigging regarding foods purchased for—

(A) the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.); and

(B) the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

(2) during the past several years, the Antitrust Division of the Department of Justice has filed over 95 criminal cases against persons accused of bid-rigging conspiracies, false statements, mail fraud, price-fixing, and similar activities involving dairy products sold to schools or the Department of Defense;

(3) over 30 grand juries in States are investigating similar activities, especially in connection with activities involving the dairy industry;

(4) 45 corporations and 48 individuals have been convicted by Federal courts of similar activities, and total fines and civil damages of approximately \$100,000,000 have been assessed in Federal and State actions for similar activities;

(5) a report of the Comptroller General of the United States noted that, as of March 1992, the Secretary of Agriculture had neither suspended nor debarred any of the 13 dairy companies or 28 individuals convicted, as of March 1992, of milk contract bid-rigging from participating in the school lunch and breakfast programs;

(6) effective educational and monitoring programs can greatly reduce the incidence of price-fixing and bid-rigging by companies that sell products to schools;

(7) reducing the incidence of price-fixing and bid-rigging in connection with the school lunch and breakfast programs could save school districts, parents, and taxpayers millions of dollars per year;

(8) the Comptroller General of the United States has noted that bid-rigging awareness training is an effective means of deterring improper collusion and bid-rigging; and

(9) the Comptroller General of the United States in a General Accounting Office report addressed many of the concerns described in this section with respect to bid rigging in the school lunch program.

SEC. 3. DUTIES OF THE SECRETARY RELATING TO ANTICOMPETITIVE ACTIVITIES.

The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by adding at the end the following new section:

“SEC. 25. DUTIES OF THE SECRETARY RELATING TO ANTICOMPETITIVE ACTIVITIES.

“(a) IN GENERAL.—The Secretary shall—

“(1) provide advice, training, technical assistance, and guidance to representatives of States, contracting entities, and school food service authorities regarding means of identifying and preventing anticompetitive activities relating to the acquisition of commodities for—

“(A) the school lunch program established under this Act;

“(B) the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

“(C) the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772); and

“(D) the summer food service program for children established under section 13 of this Act;

“(2) provide information to, and fully cooperate with, the Attorney General and State attorneys general regarding investigations of anticompetitive activities relating to the acquisition of commodities for the programs referred to in paragraph (1);

“(3) provide awareness training, training films, technical advice, troubleshooting advice, and other guidance related to avoiding or detecting bid-rigging, price-fixing, or other anticompetitive activities concerning the acquisition of commodities for the programs; and

“(4) debar or suspend a person under section 12A, applicable regulations issued by the Secretary (such as part 3017 of chapter XXX of subtitle B of title 7, Code of Federal Regulations), and other applicable Federal laws (including regulations).

“(b) FOOD SERVICE MANAGEMENT INSTITUTE.—The Secretary may request assistance from the food service management institute authorized under section 21 in carrying out this section. The Secretary may contract with the institute to carry out all or part of the duties described in paragraphs (1) and (3) of subsection (a).

“(c) FUNDING.—The Secretary shall make available to carry out this section not less than ½ of 1 percent of the funds made available for the salaries and expenses of the Food and Nutrition Service for each fiscal year.

“(d) TERMINATION.—The authority provided by this section shall terminate on September 30, 1999.”

SEC. 4. NONPROCUREMENT DEBARMENT.

(a) IN GENERAL.—The National School Lunch Act is amended by inserting after section 12 (42 U.S.C. 1760) the following new section:

“SEC. 12A. NONPROCUREMENT DEBARMENT.

“(a) IN GENERAL.—Except as provided in subsections (b) and (c), the Secretary shall debar a person, and each principal and affiliate of the person, for at least 1 year from supplying, providing, or selling a product or commodity to a school, school district, school food service authority, or school district consortium participating in the school lunch program established under this Act, the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), or the summer food service program for children established under section 13 of this Act if the person, or a principal or affiliate of the person, is convicted, in connection with supplying, providing, or selling a product or commodity to any school, school district, school food service authority, or school district consortium participating in any of the programs, or to any Federal agency, of—

“(1) an anticompetitive activity, including bid-rigging, price-fixing, the allocation of customers between competitors, or other violation of Federal or State law related to protecting competition;

“(2) mail fraud, bribery, theft, or embezzlement;

“(3) making a false statement or claim;

“(4) making a false declaration before a grand jury; or

“(5) other obstruction of justice.

“(b) SUBSEQUENT CONVICTIONS.—Except as provided in subsection (c), if a person, or a principal or affiliate of the person, is convicted of an activity described in subsection (a) after having been previously debarred under this section, the person, and each principal and affiliate of the person, shall be debarred for at least 3 years from supplying, providing, or selling a product or commodity to any school, school district, school food service authority, or school district consortium participating in a program described in subsection (a) or to any Federal agency.

“(c) WAIVERS.—The Secretary may waive a debarment imposed under subsection (a) or (b) if the Secretary determines that debarment would—

“(1) likely have a significant adverse effect on competition or prices in the relevant market or nationally;

“(2) seriously interfere with the ability of a school, school district, school food service authority, or school district consortium to procure a needed product or commodity for a program described in subsection (a);

“(3) be unfair to a person, subsidiary corporation, affiliate, parent company, or local division of a corporation that is not involved in the improper activity that would otherwise result in the debarment; or

“(4) not be in the public interest.

“(d) RELATIONSHIP TO OTHER AUTHORITY.—A debarment imposed under this section shall not reduce or diminish the authority of a Federal, State, or local government agency or court to—

“(1) penalize, fine, suspend, debar, or otherwise punish, in a civil or criminal action, a person or a principal or affiliate of the person; or

“(2) imprison, debar, suspend, fine, or otherwise punish a person or a principal or affiliate of the person.

“(e) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this section.”

(b) IMPLEMENTATION.—

(1) APPLICATION.—The amendment made by subsection (a) shall not apply to a conviction

that is based on an activity that took place prior to the date of enactment of this Act.

(2) REGULATIONS.—Not later than July 1, 1994, the Secretary of Agriculture shall amend the nonprocurement regulations established under part 3017 of chapter XXX of subtitle B of title 7, Code of Federal Regulations, to conform with section 12A of the National School Lunch Act (as added by subsection (a)).

(3) CONSISTENT DEBARMENT POLICY.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture, in consultation with the Director of the Office of Management and Budget, the Secretary of Defense, and such other officials as the Secretary of Agriculture determines are appropriate, shall advise the appropriate committees of Congress and the Comptroller General of the United States as to the appropriateness and usefulness of a consistent debarment policy under—

(A) the Federal acquisition regulations issued under title 48, Code of Federal Regulations; and

(B) Federal nonprocurement regulations.

(4) NO REDUCTION IN AUTHORITY.—

(A) IN GENERAL.—The authority of the Secretary of Agriculture that exists on the date of enactment of this Act to debar or suspend a person, or a principal or affiliate of the person, from Federal financial and non-financial assistance and benefits under Federal programs and activities, on a government-wide basis, shall not be diminished or reduced by this section or the amendment made by this section.

(B) DEBARMENT OR SUSPENSION.—The Secretary may continue, after the date of enactment of this Act, to debar or suspend a person (or a principal or affiliate of the person), on a government-wide basis, from Federal financial and nonfinancial assistance and benefits for any cause for debarment or suspension that is specified in part 3017 of chapter XXX of subtitle B of title 7, Code of Federal Regulations, or as otherwise permitted by law (including regulations).

SEC. 5. PREVENTION AND CONTROL OF ANTICOMPETITIVE ACTIVITIES.

The National School Lunch Act (as amended by section 3) is further amended by adding at the end the following new section:

“SEC. 26. PREVENTION AND CONTROL OF ANTICOMPETITIVE ACTIVITIES.

“(a) ASSISTANCE.—The Secretary shall provide financial assistance and other support to States, State attorneys general, law enforcement organizations, school food contracting agents, and school food service authorities to assist in the prevention and control of anticompetitive activities relating to—

“(1) the school lunch program established under this Act;

“(2) the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

“(3) the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772); and

“(4) the summer food service program for children established under section 13 of this Act.

“(b) INFORMATION.—On request, the Secretary shall present to the appropriate committees of Congress information regarding the administration of sections 12A and 25 and this section, any waiver granted under section 12A(c), and efforts to reduce the incidence of anticompetitive activity (such as price-fixing and bid-rigging), in connection with the programs referred to in subsection (a).

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (a) \$4,000,000 for each fiscal year.”

ADDITIONAL COSPONSORS

S. 39

At the request of Mr. ROTH, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 39, a bill to amend the National Wildlife Refuge Administration Act.

S. 78

At the request of Mr. THURMOND, the names of the Senator from Arizona [Mr. MCCAIN], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Idaho [Mr. CRAIG], the Senator from Utah [Mr. HATCH], the Senator from Wyoming [Mr. WALLOP], the Senator from North Carolina [Mr. HELMS], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from New Hampshire [Mr. SMITH], the Senator from New Hampshire [Mr. GREGG], the Senator from Georgia [Mr. COVERDELL], the Senator from Mississippi [Mr. LOTT], the Senator from Texas [Mr. GRAMM], and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 78, a bill to amend title 28 of the United States Code to clarify the remedial jurisdiction of inferior Federal courts.

S. 102

At the request of Mr. COVERDELL, his name was withdrawn as a cosponsor of S. 102, a bill to provide for a line item veto; capital gains tax reduction; enterprise zones; raising the Social Security earnings limit; and workfare.

S. 103

At the request of Mr. COVERDELL, his name was added as a cosponsor of S. 103, a bill to fully apply the rights and protections of Federal civil rights and labor laws to employment by Congress.

S. 181

At the request of Mr. MCCONNELL, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 181, a bill to prohibit the export of American black bear viscera, and for other purposes.

S. 212

At the request of Mr. DORGAN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 212, a bill to modernize the Federal Reserve System and to provide for prompt disclosure of certain decisions of the Federal Open Market Committee.

S. 265

At the request of Mr. SHELBY, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 265, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 340

At the request of Mr. HEFLIN, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 340, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the act with respect to alternate uses of new animal drugs and new drugs intended for human use, and for other purposes.

S. 359

At the request of Mr. DECONCINI, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 359, a bill to require the Secretary of Treasury to mint coins in commemoration of the National Law Enforcement Officers Memorial, and for other purposes.

S. 463

At the request of Mr. BUMPERS, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of S. 463, a bill to prohibit the expenditure of appropriated funds on the Superconducting Super Collider Program.

S. 469

At the request of Mr. WARNER, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from Arkansas [Mr. BUMPERS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from California [Mrs. FEINSTEIN], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 469, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Vietnam Women's Memorial.

S. 483

At the request of Mr. SHELBY, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of S. 483, a bill to provide for the minting of coins in commemoration of Americans who have been prisoners of war, and for other purposes.

S. 486

At the request of Mr. HEFLIN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 486, a bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted, and for other purposes.

S. 520

At the request of Mr. BUMPERS, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 520, a bill to prohibit the expenditure of appropriated funds on the Advanced Solid Rocket Motor Program.

S. 545

At the request of Mr. BOREN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 545, a bill to amend the Internal Revenue Code of 1986 to allow farmers' cooperatives to elect to include gains or losses from certain dispositions in the determination of net earnings, and for other purposes.

S. 573

At the request of Mr. BREAUX, the names of the Senator from Missouri [Mr. BOND], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 573, a bill to amend the Internal Revenue Code of 1986 to provide for a credit for the portion of employer Social Security taxes paid with respect to employee cash tips.

S. 600

At the request of Mr. BOREN, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 600, a bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit.

S. 784

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 784, a bill to amend the Federal Food, Drug, and Cosmetic Act to establish standards with respect to dietary supplements, and for other purposes.

S. 881

At the request of Mr. DODD, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 881, a bill to amend the Elementary and Secondary Education Act of 1965 to reauthorize and make certain technical corrections in the Civic Education Program, and for other purposes.

S. 921

At the request of Mr. BAUCUS, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 921, a bill to reauthorize and amend the Endangered Species Act for the conservation of threatened and endangered species, and for other purposes.

S. 994

At the request of Mr. PRYOR, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 994, a bill to authorize the establishment of a fresh cut flowers and fresh cut greens promotion and consumer information program for the benefit of the floricultural industry and other persons, and for other purposes.

S. 1002

At the request of Mr. HATCH, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1002, a bill to require each recipient of a grant or contract under section 1001 of the Public Health Service Act to provide information concerning breast and cervical cancer.

S. 1004

At the request of Mr. MACK, his name was added as a cosponsor of S. 1004, a bill to limit amounts expended by certain government entities for overhead expenses.

S. 1037

At the request of Mrs. MURRAY, the name of the Senator from Rhode Island

[Mr. PELL] was added as a cosponsor of S. 1037, a bill to amend the Civil Rights Act of 1991 with respect to the application of such act.

S. 1041

At the request of Mr. GREGG, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1041, a bill to amend the Public Health Service Act to promote the immunization of children, and for other purposes.

S. 1043

At the request of Mr. GLENN, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1043, a bill to extend until January 1, 1998, the existing suspension of duty on certain bicycle parts, and for other purposes.

S. 1083

At the request of Mr. ROCKEFELLER, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1083, a bill to amend the Internal Revenue Code of 1986 to provide that veterans' allowances and benefits administered by the Secretary of Veterans Affairs are not included in gross income.

S. 1098

At the request of Mr. DURENBERGER, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1098, a bill to amend title XIX of the Social Security Act to provide for optional coverage under State medicaid plans of case-management services for individuals who sustain traumatic brain injuries, and for other purposes.

At the request of Mr. ROCKEFELLER, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1098, *supra*.

S. 1125

At the request of Mr. DODD, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 1125, a bill to help local school systems achieve Goal Six of the National Education Goals, which provides that by the year 2000, every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning, by ensuring that all schools are safe and free of violence.

S. 1142

At the request of Mr. HARKIN, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Washington [Mrs. MURRAY], the Senator from Hawaii [Mr. INOUE], the Senator from Arizona [Mr. DECONCINI], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 1142, a bill to improve counseling services for elementary school children.

S. 1172

At the request of Mr. MCCAIN, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor

of S. 1172, a bill to amend the National Defense Authorization Act for Fiscal Year 1993, to impose sanctions on certain transfers of equipment and technology used in the manufacture or delivery of weapons of mass destruction and to impose additional sanctions for violations of that act.

S. 1184

At the request of Mr. MACK, his name was added as a cosponsor of S. 1184, a bill to limit the amount of indirect costs that may be incurred in conducting federally sponsored university research and development to 50 percent of the modified total direct costs related to such research and development.

S. 1206

At the request of Mr. KERRY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 1206, a bill to redesignate the Federal building located at 380 Trapelo Road in Waltham, Massachusetts, as the "Frederick C. Murphy Federal Center."

S. 1209

At the request of Mr. KEMPTHORNE, the names of the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1209, a bill to provide for a delay in the applicability of certain regulations to certain municipal solid waste landfills under the Solid Waste Disposal Act, and for other purposes.

S. 1228

At the request of Mr. BROWN, the names of the Senator from Utah [Mr. HATCH], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1228, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 1229

At the request of Mr. BROWN, the names of the Senator from Utah [Mr. HATCH], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1229, a bill to repeal the provisions of the Service Contract Act of 1965.

S. 1231

At the request of Mr. MOYNIHAN, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 1231, a bill to provide for simplified collection of employment taxes on domestic services, and for other purposes.

S. 1256

At the request of Mr. DOLE, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1256, a bill to amend the Foreign Assistance Act of 1961 to examine

the status of the human rights of people with disabilities worldwide.

SENATE JOINT RESOLUTION 9

At the request of Mr. THURMOND, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Joint Resolution 9, a joint resolution proposing an amendment to the Constitution of the United States relating to voluntary school prayer.

SENATE JOINT RESOLUTION 35

At the request of Mr. PRESSLER, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of Senate Joint Resolution 35, a joint resolution to designate the month of November 1993, and the month of November 1994, each as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 89

At the request of Mr. SIMON, the names of the Senator from Colorado [Mr. BROWN], the Senator from Rhode Island [Mr. PELL], the Senator from Hawaii [Mr. INOUE], the Senator from Kansas [Mr. DOLE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. JEFFORDS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. MOYNIHAN], the Senator from Alabama [Mr. HEFLIN], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 89, a bill to designate October 1993 as "Polish-American Heritage Month."

SENATE JOINT RESOLUTION 91

At the request of Mr. SPECTER, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from Illinois [Ms. MOSELEY-BRAUN], and the Senator from Virginia [Mr. ROBB] were added as cosponsors of Senate Joint Resolution 91, a joint resolution designating October 1993 and October 1994 as "National Domestic Violence Awareness Month."

SENATE JOINT RESOLUTION 99

At the request of Mr. DECONCINI, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from South Dakota [Mr. DASCHLE], the Senator from Arkansas [Mr. BUMPERS], the Senator from West Virginia [Mr. BYRD], the Senator from Florida [Mr. MACK], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of Senate Joint Resolution 99, a joint resolution designating September 9, 1993, and April 21, 1994, each as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 111

At the request of Mr. DECONCINI, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of Senate Joint Resolution 111, a joint resolution to designate August 1, 1993, as "Helsinki Human Rights Day."

SENATE JOINT RESOLUTION 113

At the request of Mr. DECONCINI, the names of the Senator from Pennsylvania [Mr. WOFFORD], and the Senator from Michigan [Mr. LEVIN] were added

as cosponsors of Senate Joint Resolution 113, a joint resolution designating October 1993 as "Italian-American Heritage and Culture Month."

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. SIMON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Concurrent Resolution 26, a concurrent resolution urging the President to redirect United States foreign assistance policies and spending priorities toward promoting sustainable development, which reduces global hunger and poverty, protects the environment, and promotes democracy.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LEAHY, the name of the Senator from Hawaii [Mr. INOUE], the Senator from Illinois [Mr. SIMON], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of Senate Concurrent Resolution 27, a bill to express the sense of Congress that funding should be provided to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs and to expand the Job Corps program, and for other purposes.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. MOYNIHAN, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of Senate Concurrent Resolution 30, a concurrent resolution congratulating the Anti-Defamation League on the celebration of its 80th anniversary.

SENATE RESOLUTION 124

At the request of Mr. BRADLEY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Resolution 124, a resolution expressing the sense of the Senate that the Olympic Summer Games in the year 2000 should not be held in Beijing or elsewhere in the People's Republic of China.

SENATE RESOLUTION 128

At the request of Mr. LAUTENBERG, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of Senate Resolution 128, a resolution expressing the sense of the Senate regarding the protection to be accorded United States copyright-based industries under agreements entered into pursuant to the Uruguay Round of trade negotiations.

AMENDMENT NO. 597

At the request of Mr. DOMENICI the names of the Senator from Colorado [Mr. BROWN], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Amendment No. 597 proposed to S. 185, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

AMENDMENTS SUBMITTED

ROTH-DOMENICI AMENDMENT NO. 600

Mr. ROTH (for himself and Mr. DOMENICI) proposed an amendment to the bill (S. 185) to amend title 5, United States Code, to restore Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; as follows:

On page 17, insert between lines 15 and 16 the following new paragraph:

"(3) No employee of the Office of Examination (including revenue agents, tax auditors, and tax examiners) of the Internal Revenue Service may take an active part in political management or political campaigns.

On page 17, line 16, strike out "(3)" and insert in lieu thereof "(4)".

KASSEBAUM AMENDMENT NO. 601

Mrs. KASSEBAUM (for herself and Mr. GRASSLEY) proposed an amendment to the bill (S. 185), supra, as follows:

On page 15, line 22, beginning with the comma strike all through line 19 on page 16 and insert a semicolon.

ROTH (AND OTHERS) AMENDMENT NO. 602

(Ordered to lie on the table.)

Mr. ROTH (for himself and Mr. DOMENICI, Mr. DURENBERGER, and Mr. GRASSLEY) proposed an amendment to the bill (S. 185), supra, as follows:

On page 17, insert between lines 15 and 16 the following new paragraph:

"(3) No employee of the Criminal Division of the Department of Justice (except one appointed by the President, by and with the advice and consent of the Senate), may take an active part in political management or political campaigns.

On page 17, line 16, strike out "(3)" and insert in lieu thereof "(4)".

NOTICES OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. LEVIN. Mr. President, I would like to announce that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, will hold a hearing on Tuesday, July 27, 1993, on Oversight of Federal Property Management. The hearing will take place at 9:30 a.m. in room 342 of the Dirksen Senate Office Building.

[Notice of Cancellation of Hearing]

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that the hearing scheduled before the Committee on Energy and Natural Resources on S. 318, the Outer Continental Shelf Deep Water Royalty Relief Act, and S. 727, the California Ocean Protection Act of 1993, has been canceled.

The hearing was to take place on Tuesday, August 3, at 9:30 a.m.

For further information, please contact Lisa Vehmas of the Committee staff at 202-224-7555.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, July 20, 1993, at 11 a.m., in open session, to receive testimony on the Department of Defense policy on the service of gay men and lesbians in the Armed Forces.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet at 10 a.m. on July 20, 1993, on the nomination of David Hinson to be the Administrator of the Federal Aviation Administration.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., July 20, 1993, to receive testimony from Robert Nordhaus, nominee to be general counsel at the Department of Energy.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Tuesday, July 20, 1993, at 10 a.m. to hold nomination hearings on the following nominees:

Tom Dodd, to be Ambassador to Uruguay;

James Blanchard, to be Ambassador to Canada; and

Jeffrey Davidow, to be Ambassador to Venezuela.

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

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, July 20, 1993, at 10 a.m. to hold a hearing on the nomination of Ruth Bader Ginsburg to be Associate Justice of the Supreme Court of the United States.

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

COMMITTEE ON SMALL BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Small

Business Committee be authorized to meet during the session of the Senate on Tuesday, July 20, 1993, at 3 p.m. The committee will hold a full committee hearing on the Small Business Administration's fiscal year 1994 budget proposal.

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

SUBCOMMITTEE ON COALITION DEFENSE AND REINFORCING FORCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Coalition Defense and Reinforcing Forces of the Committee on Armed Services be authorized to meet on Tuesday, July 20, 1993, at 8:30 a.m., in executive session, to mark up the Coalition Defense and Reinforcing Forces Programs for fiscal year 1994.

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

SUBCOMMITTEE ON FORCE REQUIREMENTS AND PERSONNEL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Force Requirements and Personnel of the Committee on Armed Services be authorized to meet on Tuesday, July 20, 1993, at 10 a.m., in executive session, to mark up the Force Requirements and Personnel Programs for fiscal year 1994.

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

SUBCOMMITTEE ON MILITARY READINESS AND DEFENSE INFRASTRUCTURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Military Readiness and Defense Infrastructure of the Committee on Armed Services be authorized to meet in executive session on Tuesday, July 20, 1993, at 4:30 p.m., to mark up the Military Readiness and Defense Infrastructure Programs of Defense Authorization Act for fiscal year 1994.

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

SUBCOMMITTEE ON NUCLEAR DETERRENCE, ARMS CONTROL, AND DEFENSE INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Deterrence, Arms Control, and Defense Intelligence of the Committee on Armed Services be authorized to meet in executive session on Tuesday, July 20, 1993, at 2:30 p.m., to mark up the Nuclear Deterrence, Arms Control, and Defense Intelligence Programs of a Department of Defense Authorization Act for fiscal year 1994.

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

ADDITIONAL STATEMENTS

NUCLEAR TESTING

• Mr. SIMON. Mr. President, recently the President announced a new policy on nuclear weapons testing, the no-first-test, policy. The President made

the right decision to suspend nuclear testing, and I urge that we in this body support him as the administration moves beyond this to negotiating a Comprehensive Test Ban Treaty.

I am concerned that, no first test, pegs our nuclear weapons program to the actions of other nations, and I hope that this will not be implemented in a rigid, inflexible way. We ought to make a decision on nuclear warhead testing based on our own national security needs, not those of any other nation. The simple fact is that our weapons are safe and reliable. And it makes no sense whatsoever to continue testing since we have no new nuclear weapons programs in development.

If China tests in a few weeks or months, for example, do we really need to resume testing? Our nuclear weapons systems are so far superior to theirs, using any measurement, that resumption of testing under these or similar circumstances would make a mockery of our new approach, which I applaud.

Mr. President, we have struggled with this issue for many years. I commend President Clinton for taking a wise step forward to strengthen our security and stop the spread of nuclear weapons. •

HAROLD VAN GILDER, "CITIZEN OF THE YEAR"

• Mr. MCCAIN. Mr. President, I was extremely delighted to hear that Harold VanGilder was chosen by the Sierra Vista Chamber of Commerce as their 1992 Citizen of the Year. I would like to congratulate Mr. VanGilder on this outstanding achievement and his public service.

As a resident of Arizona, Mr. VanGilder has set a fine example in Arizona for his dedication and commitment to community service. Mr. President, I would like the Senate to take note of Mr. VanGilder's active role in local civic affairs for over a decade.

Mr. VanGilder was elected to the Sierra Vista City Council in February of 1993; he is a past president of the Sierra Vista Economic Industrial Development Authority and was the founding president of the Sierra Vista Economic Development Foundation, the University Foundation of Sierra Vista, and Fort Huachuca 50. Additionally, he is a member of the Arizona Academy, the Cochise College Information Management Advisory Committee, and the University of Arizona Economic Development Committee and is on the board of directors of the Baptist Foundation of Arizona.

Mr. President, I would like Mr. VanGilder to know how much I appreciate his commitment to Arizona and the community of Sierra Vista. I am pleased to have brought Mr. VanGilder to the attention of the Senate, and I wish him every success in the future. •

GANGS IN GRADE SCHOOL

• Mr. SIMON. Mr. President, as many of my colleagues know, the Chicago Tribune has been running two series called "Killing Our Children." These articles track every child under the age of 14 killed in the Chicago area. In conjunction with this series, the paper has also been exploring related topics: child abuse, drug abuse, and gangs.

Recently the Tribune ran an article entitled, "Gangs Getting Younger, But No Less Deadly," which tells a story about a 12-year-old alleged gang member who is being charged with the first degree murder of a 2-year-old. This incident, which occurred in Chicago, provides us with alarming evidence that gang violence is reaching even the youngest of children, transforming life and death into a sort of game.

The rise of gangs has coincided with the decline of jobs in that area. Now, many of the younger gang members are the children of gang members. Even babies are dressed up in gang gear, and children as young as 4 years old are seen fighting over the rival gang insignias that they turn in for art assignments.

Prof. Darnell Hawkins of the University of Illinois at Chicago points out that not all gang-related activities are dangerous. "All kids socialize in groups. * * * Many gangs are benign initially. They're preadolescent play groups, social groups. Some go through a transition into more serious crime, and many do not." Hawkins went on to say that the chances of the "play group" moving into antisocial behavior increase if the children are in a deprived neighborhood.

I urge my colleagues to read this article and ask that it be printed in the RECORD.

The article follows:

[From the Chicago Tribune, May 27, 1993]

GANGS GETTING YOUNGER, BUT NO LESS DEADLY

(By Louise Kiernan)

Most people thought the boys who called themselves the Titanic Stones were nothing more than a neighborhood nuisance.

They hung out on the corners near their South Chicago grammar school, bumming cigarettes, bugging women and picking fights.

But last week they allegedly set fire to the home of a boy they believed belonged to a rival gang. That fire killed Denzel Castle, a chubby and cheerful toddler who lived next door. Denzel was the 21st child age 14 or under to be slain in the Chicago area this year.

Suddenly a 12-year-old boy was charged with first-degree murder. And what had seemed an aggravating game of children playing at grown-up gangs had become something much more.

"They're babies, 10, 11, 12 years old, just babies," said Deborah Castle, Denzel's aunt. "It's just sad. But that's how it is. Something little always ends up something big."

In South Chicago, as in many of the city's poorer neighborhoods, it seems that something little—children—are getting caught up

in gangs at a younger and younger age. Second-graders turn in drawings of gang insignia as art assignments. A 10-year-old who squabbles with a classmate finds himself facing down half a dozen members of that boy's "posse" on the playground.

One morning this week, John West, principal of Thorp School, 8914 S. Buffalo Ave., led a discussion with a 4th-grade science class. He asked the class to name some different types of machines.

The first response? "Machine gun."

He wasn't surprised. In January, he decided to join a 1st-grade class to view President Clinton's inauguration on television. When he went in, some of the children told him they were watching what must be the funeral procession of a very high-ranking gang member.

"They see things through their own lives," he said. "That's all they know."

In South Chicago, the rise of gangs has coincided with the long decline and final demise of what one alderman called its "heart and soul." The South Works of U.S. Steel.

At its peak during the 1940s, the steel mill employed more than 20,000 people; by the time it closed last year, fewer than 700 people worked there. What was a prosperous company town tucked around the plant on Chicago's Southeast Side has become a rim of shuttered businesses, abandoned buildings and hopelessness.

It's not that gangs are new. They were here during the Depression, and even earlier, when South Chicago was an Eastern European enclave. As Mexicans and African Americans moved in, many brought in as strikebreakers, more gangs sprang up.

But only as jobs withered away did gangs take root as something more established and more deadly than the fistfights and rivalries that were cast aside when you went to work at the mill.

"Now we're dealing with teenagers who are the kids of gangbangers proud of still being gangbangers," said Neil Bosanko, a fourth-generation South Chicagoan, foster parent and community activist. "They even dress their babies up in gang gear."

It doesn't take long for the children to catch on. Bosanko recently saw two preschoolers get into a fight after one discovered the other drawing the symbol of a gang that is a rival to the one he had painted.

At the neighborhood's schools, officials say some children have grouped themselves into so-called gangs by the time they're in 3rd or 4th grade.

"It can start off at a talent show or with an intramural basketball team," said West. "Before you know it, they're calling themselves a gang."

Last year, police officers, with the South Chicago District's tactical unit, which investigates gang activity, kept running into a group of 8- and 9-year-olds who called themselves the Donuts.

"Just little guys, said Sgt. Rich Pina. "But they would try to do the same things the big guys did. Harass people. Get in fights."

At William K. Sullivan School, 8255 S. Houston Ave., principal Robert Esenberg has seen one group that started out three years ago as four or five 4th graders and now has about a dozen members.

"They hung out together after school and tried to intimidate other kids on the way home. I'm not sure what they're doing now," Esenberg said. "You never know when it's serious or not."

To many children, of course, it's not intended to be a serious effort to start their own version of an adult gang. It's just a

game, not much different from a group of boys who play basketball giving their teams fanciful names, except the names they know are the Gangster Disciples or the Vice Lords.

"All kids socialize in groups, whether they're 'good' kids or 'bad' kids," said Darnell Hawkins, a criminologist and professor at the University of Illinois at Chicago. "Many gangs are benign initially. They're pre-adolescent play groups, social groups. Some go through a transition into more serious crime, and many do not."

The chances of the "play group" moving into antisocial behavior increase, though, if the children live in a deprived neighborhood, Hawkins said.

As Donald Butler, assistant principal of Sullivan puts it, "The organizing skills are the same as for a baseball team, but if there aren't any baseball games, what is there to do? 'Well, we can run through the neighborhood and kick over some garbage cans.' The little stuff just starts adding up."

The Titanic Stones, about a dozen boys between the ages of 11 and 15, seemed to be taking their first steps into trouble.

Before the fire they weren't even known to tactical police, Pina said. "We're trying to figure out now who they are," he said. "We think they're a relatively new group of younger kids."

Neighbors, however, did know them.

"You go to the store, they ask you for cigarettes," said one teenager, who gave his name as Michael. "They said stuff to the women, and if [the women] wouldn't answer, they would call them 'B's' [bitches]," he said.

Once, Gregory Castle, who lived in the same building as his nephew Denzel, saw them beat up one of their own in the alley behind his apartment. The boy was suspected of being a turncoat.

"They got up and hugged him, and he limped away," said Castle, 29, shaking his head. "Man, I just don't understand it."

The young gang was more irritating and incomprehensible than threatening. Denzel's mother, Mary Ann Robinson, kept the burglar bars on her door locked, but mostly to stop the toddler from wandering downstairs to visit his cousins.

Three different sets of the Castle family—14 of them in all—lived in the wood-frame building at 8510 S. Buffalo Ave., and they were good friends with the three families next door at 8506 S. Buffalo Ave. They used to sit out on their front porches, chatting and watching the children play.

So, when a few days before the fire, Denzel's father, Darrell Castle, 36, learned that a neighborhood boy told some Titanic Stones that a 14-year-old in 8506 belonged to the Gangster Disciples, a rival gang, he decided to intervene.

"I went to this little guy and said, 'You've got to think about what you're saying,'" Castle said. "It's dangerous to do that."

The 14-year-old had apparently threatened to beat up the other boy, making him want revenge. It remains unclear whether the 14-year-old is a gang member. At a Juvenile Court hearing last week, a Chicago police detective testified that the 14-year-old boy admitted he was a Disciple, but friends of the family insist he is not a gang member.

In any event, it was a schoolyard squabble. But one that would turn deadly because the children were playing at gangs, like playing with fire.

On May 19, the Stones attacked the 14-year-old outside his building, but Gregory Castle broke up the fight. They vowed to return, and the fire broke out hours later.

In court testimony, police said the boys gathered at nearby Russell Square Park to plan a second attack, and decided upon arson.

A 12-year-old is accused of first-degree murder for using a blue Bic lighter to torch a couch wedged beneath the porch at 8506. The blaze spread next door, killing Denzel in his bed and leaving more than two dozen people in both buildings homeless.

At Denzel's funeral Wednesday, a Barney the Dinosaur balloon fluttered over his blue casket. It wasn't there because Denzel loved the television character, but because he was so chubby that his fat-dimpled legs inspired the nickname "Baby Dinosaur."

His mother wept and his grandmother, Lubirdin Castle, who delivered the eulogy, urged the audience to remember that Denzel "doesn't have to worry anymore about the bad guy trying to bring him into his corner."

She was talking about Satan. But Denzel's uncle, Gregory Castle, seemed to have different bad guys in mind when he was talking about Denzel's death as he stood outside his burned-out husk of a home last week.

"I have three sons," he said. "Someday, the gangs are going to come around, trying to get them to join. I dread that day." ●

STATEMENT ON THE CONFIRMATION OF VICTOR P. RAYMOND

● Mr. ROCKEFELLER. Mr. President, as chairman of the Committee on Veterans' Affairs, I am delighted that the Senate last Friday confirmed the nomination of Dr. Victor P. Raymond to be Assistant Secretary of Veterans Affairs for Policy and Planning.

Dr. Raymond is a first-rate individual with a long history of public service, dating back to service in the Air Force during the Vietnam war, and I am confident that he will play a key role, along with Secretary of Veterans Affairs, Jesse Brown, and Deputy Secretary, Hershel Gober, in providing leadership to the Department of Veterans Affairs so that it can better serve the needs of the veterans of West Virginia and the entire Nation.

The committee held a hearing on Dr. Raymond's nomination on July 1, 1993, at which he responded openly and forthrightly—and with great skill and insight, I might add—to questions from committee members. He also responded to pre- and post-hearing questions and completed the committee's questionnaire. After reviewing all these materials as well as the FBI reports on Dr. Raymond, I am satisfied that he is well suited for the position of Assistant Secretary for Policy and Planning. On Thursday, July 15, our committee met to consider various matters, including this nomination, and voted unanimously to recommend his confirmation to the full Senate. On Friday, July 16, the Senate confirmed Dr. Raymond.

Mr. President, I think the job Dr. Raymond will now assume, which he filled on an acting basis for number of months—the Assistant Secretary for Policy and Planning—is terribly important in so many different ways. I have a very strong interest in the role that

that office will play in health care reform. I am also very interested in the many other exciting areas that the office works on, including matters relating to adjudication reform and the development and maintenance of comprehensive data bases on veterans and veterans programs.

In reviewing Dr. Raymond's background, I was struck by how his various experiences have prepared him so well for this key position.

His work here in the Congress—which I note was quite unusual in that it was both bipartisan and bicameral, working as he did for AL SIMPSON when he was chairman of the Senate Committee and then for my good friends and counterparts in the House, Chairman SONNY MONTGOMERY, gives him a fine grounding in understanding the art of give and take that is so important to getting things done here in Washington.

His stint with the VA Commission on the Future Structure of Veterans Health Care, where we was the Deputy Director of the Commission, was obviously a key opportunity to further his work on VA and general health matters.

And certainly his graduate training at Johns Hopkins University in operations research, which relies so heavily on the importance of quantitative information, will be invaluable in his new role.

Mr. President, in closing, I again note my satisfaction that Dr. Raymond is so well suited to the position for which he has been confirmed, and I look forward to working with him in his new capacity. •

BUDGET SCOREKEEPING REPORT

• Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through July 16, 1993. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by \$1.6 billion in budget authority and above by \$0.7 billion in outlays. Current level is \$0.5 billion above the revenue floor in 1993 and above by \$1.4 billion over the 5 years, 1993-97. The current estimate of the deficit for purposes of calculating the maximum deficit amount is \$392.4 billion, \$28.4 billion below the maximum deficit amount for 1993 of \$420.8 billion.

Since the last report, dated July 14, 1993, there has been no action that affects the current level of budget authority and outlays.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 20, 1993.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1993 and is current through July 16, 1993. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 287). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated July 13, 1993, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,
ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., AS OF CLOSE OF BUSINESS JULY 16, 1993

(In billions of dollars)

	Budget resolution (H. Con. Res. 287)	Current level ¹	Current level over/under resolution
On-budget:			
Budget authority	1,250.0	1,248.4	-1.6
Outlays	1,242.3	1,243.0	.7
Revenues:			
1993	848.9	849.4	.5
1993-97	4,818.6	4,820.0	1.4
Maximum deficit amount	420.8	392.4	-28.4
Debt subject to limit	4,461.2	4,240.5	-220.7
Off-budget:			
Social Security outlays:			
1993	260.0	260.0	
1993-97	1,415.0	1,415.0	
Social Security revenues:			
1993	328.1	328.1	(²)
1993-97	1,865.0	1,865.0	(²)

¹ Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

² Less than \$50,000,000.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JULY 16, 1993

(In millions of dollars)

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues	0	0	849,425
Permanents and other spending legislation	764,283	737,413	0
Appropriation legislation	732,061	743,943	0
Offsetting receipts	(240,524)	(240,524)	0
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
CIA Voluntary Separation Incentive Act (Public Law 103-36)	1	1	0
Unclaimed Deposits Amendments Act (Public Law 103-440)	0	1	0
1993 spring supplemental (Public Law 103-50)	1,003	1,199	0

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JULY 16, 1993—Continued

(In millions of dollars)

	Budget authority	Outlays	Revenues
Total enacted this session	1,004	1,201	0
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(8,443)	922	0
Total current level¹	1,248,381	1,242,955	849,425
Total budget resolution²	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	1,609	0	0
Over budget resolution	0	665	535

¹ In accordance with the Budget Enforcement Act, budget authority and outlay totals do not include the following in emergency funding.

² Includes a revision under sec. 9 of the concurrent resolution on the budget.

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.

(In millions of dollars)

	Budget authority	Outlays
Public Law:		
102-229	0	712
102-266	0	33
102-302	0	380
102-368	960	5,873
102-381	218	13
103-6	3,322	3,322
103-24	4,000	4,000
Offsetting receipts	(4,000)	(4,000)
103-50	0	(30)
Total 1993 emergency funding	4,500	10,303

Note.—Amounts in parentheses are negative. Detail may not add due to rounding. •

ORDERS FOR WEDNESDAY, JULY 21, 1993

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. Wednesday, July 21; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 12:45 p.m., with Senators permitted to speak therein for up to 5 minutes each, with the first 30 minutes of morning business under the control of Senator PRYOR or his designee; that Senator BYRD be recognized for 1 hour immediately following the conclusion of the time reserved for Senator PRYOR, with Senator DORGAN recognized for up to 10 minutes, and Senators ROCKEFELLER and WELLSTONE for up to 15 minutes each, with this time to follow the time reserved for Senator BYRD; that there then be up to 1 hour under the control of Senator WALLOP or his designee; that Senator HOLLINGS then be recognized for up to 20 minutes; and that at 12:45 p.m., the Senate then resume consideration of S. 919.

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

PROGRAM

Mr. MITCHELL. Mr. President, there has been a very good discussion today on the pending bill. It is an important measure dealing with national service. I am advised that there may be a substantial number of amendments to the bill; that the staffs, minority and majority, will be meeting tomorrow to review the list; and that at least one amendment will be offered when the Senate returns to consideration of the bill. I hope that is the case and that we can begin debate on and disposition of amendments to the bill tomorrow.

It appears that there are going to be a substantial number of amendments, in which case Senators should be prepared for votes during the day and well into the evening on tomorrow and Thursday so that we can make some substantial progress, and if possible complete action on this bill. So Senators should now be aware that votes may occur throughout the day and well into the evening tomorrow.

As I previously notified Senators in writing, we are not able anymore to attempt to limit votes to prior to 7 p.m. because of the difficulty of getting votes during that period of time and making progress on this legislation. So there is no longer any 7 o'clock limitation. I hope Senators will keep that in mind as they plan their schedules for the remainder of this week.

Furthermore, as we all know, it is now approximately the time when the Senate must begin consideration of appropriations bills. These are not only important, they are essential matters required by law. The House has acted on most of the appropriations bills. The Senate Appropriations Committee

was to meet today to report out three bills, and I am advised they did so, and will meet further in the week to report out additional appropriations bills. So that for the remaining weeks of this legislative period, and that is 2 weeks following this week, we will be dealing with a number of appropriations bills and Senators should be prepared for votes on Mondays, and throughout the day and evening on each day of the week as we attempt to make good progress on dealing with these appropriations bills during this legislative period.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RECESS UNTIL 9 A.M. TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now stand in recess as under the previous order.

There being no objection, the Senate, at 8:22 p.m., recessed until tomorrow, Wednesday, July 21, 1993, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 20, 1993:

DEPARTMENT OF JUSTICE

LOUIS J. FREEH, OF NEW YORK, TO BE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION FOR THE TERM OF 10 YEARS, VICE WILLIAM S. SESSIONS.

GAYNELLE GRIFFIN JONES, OF TEXAS, TO BE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF TEXAS FOR THE TERM OF 4 YEARS VICE RONALD G. WOODS.

KAREN ELIZABETH SCHREIBER, OF SOUTH DAKOTA, TO BE U.S. ATTORNEY FOR THE DISTRICT OF SOUTH DAKOTA FOR THE TERM OF 4 YEARS, VICE PHILIP N. HOGEN. JUDITH ANN STEWART, OF INDIANA, TO BE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF INDIANA FOR THE TERM OF 4 YEARS VICE DEBORAH J. DANIELS.

WALTER MICHAEL TROOP, OF KENTUCKY, TO BE U.S. ATTORNEY FOR THE WESTERN DISTRICT OF KENTUCKY FOR THE TERM OF 4 YEARS VICE JOSEPH M. WHITTLE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE POSITION AND GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8037:

To be major general

To be judge advocate general of the U.S. Air Force

BRIG. GEN. NOLAN SKLUTE, U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE, THE OFFICER IDENTIFIED WITH A SINGLE ASTERISK IS ALSO RECOMMENDED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10 UNITED STATES CODE.

MEDICAL CORPS

To be colonel

*ROBERT M. WILSON, U.S. ARMY.

IN THE ARMY

To be lieutenant colonel

RONALD E. MCCONNELL, U.S. ARMY. EMANUEL M. TORQUIST, U.S. ARMY.

MEDICAL CORPS

To be major

FREDRIC R. PLOTKIN, U.S. ARMY.

THE FOLLOWING NAMED OFFICER, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 1552, TITLE 10 UNITED STATES CODE.

MEDICAL SERVICE CORPS

To be major

RICHARD N. JOHNSON, U.S. ARMY.

HOUSE OF REPRESENTATIVES—Tuesday, July 20, 1993

The House met at 12 noon.

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

Teach us, O God, to live our lives with the leading of Your spirit, to speak the truth and tell our message with honesty and sincerity. As our backgrounds vary, so we acknowledge our separate experience and we admit that we see the events of life in differing ways. Yet make us mindful, O gracious God, of all that we have together and of the common heritage that we hold high. Respectful of each other, may we use the gifts You have given to be custodians of Your many graces and always respond to Your gifts with prayer, praise, and thanksgiving. 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.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Oregon [Ms. FURSE] please come forward and lead the House in the Pledge of Allegiance.

Ms. FURSE 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.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. David Zaroff, one of his secretaries.

REPORT ON RESOLUTION REQUESTING THE PRESIDENT TO FURNISH CERTAIN DOCUMENTS CONCERNING THE RESPONSE OF THE FEDERAL BUREAU OF INVESTIGATION TO ALLEGATIONS OF CRIMINAL CONDUCT IN THE WHITE HOUSE TRAVEL OFFICE

Mr. BROOKS, from the Committee on the Judiciary, submitted a privileged report (Rept. No. 103-183) on the resolution (H. Res. 198) requesting the President to furnish to the House of Representatives certain documents con-

cerning the response of the Federal Bureau of Investigation to allegations of criminal conduct in the White House travel office, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

Mrs. ROUKEMA. Mr. Speaker, due to a prior official commitment on Thursday, July 15, 1993, I was unable to be present for the vote on rollcall No. 339.

Mr. Speaker, had I been present, I would have voted "no."

PRESIDENT CLINTON'S BUDGET

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

Mr. DERRICK. Mr. Speaker, when the Congress approves President Clinton's budget, it will be the largest deficit reduction in history.

By cutting more than 200 programs and by requiring the wealthy to pay their fair share, the President's budget will eradicate nearly \$500 billion from the deficit over the next 5 years.

Since the House and the other body have approved the plan, interest rates have propelled mortgage rates to a 20-year low. And the economy is on track.

But deficit reduction is more than a goal in itself.

The objective of deficit reduction is job creation. The passage of the President's plan ensures that the U.S. economy will expand by creating 8 million jobs over the next 4 years.

The President's plan will provide tax incentives and substantial benefits to the economy's fastest growing sector, the small business community.

Owners of small businesses will receive a special capital gains tax cut for reinvesting into their businesses. Again—the purpose of this provision is to create new jobs.

The President's plan has \$100 billion more in deficit reduction than any other budget plan offered this year. The Republican plans granted the wealthy yet another free ride paid for by senior citizens and by the middle class.

Mr. Speaker, the future is now. I urge all my colleagues to join the coalition to end gridlock and to support the President's budget.

A KNOCKOUT PUNCH FOR SMALL BUSINESSES

(Mr. CRAPO asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. CRAPO. Mr. Speaker, President Clinton, and those who support tax and spend in Congress are about to deliver a knockout blow to small businesses in this country.

The tax bill we are facing will be devastating to the small business sector of the economy which provides 77 percent of the new jobs nationwide.

We do not know yet what type of new taxes are going to be levied when the conference committee meets. We could get the recordbreaking tax increases promoted by the House. Or we could get the recordbreaking tax increases favored by the Senate. We do know one thing for sure: There will be plenty of new taxes. And those taxes will devastate small businesses across this Nation.

Mr. Speaker, when you raise taxes, you kill jobs. When you raise taxes, prices rise, demand drops, and small businesses collapse.

Let us learn from the past. More taxes result in more spending. As we have heard before, the taxes in this package are real; the cuts are not. Let us cut spending first.

SUPPORT THE NATIONAL SERVICE TRUST ACT

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

Ms. FURSE. Mr. Speaker, I rise today in support of H.R. 2010, the National Service Trust Act. The National Service Trust Act gives talented and committed Americans a variety of opportunities to serve their country. Just as people honorably serve their country by participating in the Armed Forces under this act Americans can provide service in education, health care, with children and the elderly. There are challenges facing every level of our society which demand the hands and hearts of dedicated citizens. The National Service Trust Act honors those who work with the elderly and disabled Americans. It bestows distinction upon those who assist our beleaguered inner cities, whether as gang counselors or police officers. It says that serving our children serves the future of America. And for all those who participate, the benefit is something which can never be taken away from them—jobs skills or postsecondary education.

The strength of our Nation depends not only on how well we maintain our

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

national defense, but on how we as citizens treat our fellow citizens who are in the most need of our time and talents. I applaud President Clinton for this initiative, and I applaud the hard work of the committee and its efforts to improve the legislation. The National Service Trust Act recognizes the value of using our collective talents to help solve our collective problems, and I urge its passage in the House today without weakening amendments.

DON'T ASK, DON'T TELL

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

Mr. BALLENGER. Mr. Speaker, many experts see the President's new policy on homosexuals in the military as "don't ask, don't tell."

That phrase could serve as a summary for the entire Clinton administration.

How will the administration's taxes impact small business? The Democrats would prefer to answer that question: "Don't Ask."

How will the new energy tax expected from the conference affect inflation? Again, don't ask.

What new tax has the President floated today? Don't ask.

What will the President's defense cuts do to our military preparedness? Don't ask.

Did you really vote for Bill Clinton for President? Please, don't tell.

□ 1210

NAFTA JOBS

(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 I would like to show my colleagues a map that graphically shows the history of what has happened to America's high-paying manufacturing jobs. On this map, 125 stars mark the top 125 cities across our country where hard-working Americans have had their jobs taken away and replaced by exploited Mexican workers earning one-tenth as much. Every star marks hundreds of U.S. families that have faced the tragedy of a breadwinner out of work, family life disrupted, families uprooted, and all the social and other problems that ensue in such calamities.

Every star on this map represents an American tragedy, personal tragedies of unemployment, of poverty, and above all, a national tragedy of trade policies that have drained our jobs south to Mexico, wounded our economy, and exploited both our United States workers, as well as Mexico's workers.

In the weeks to come, I will address this Chamber about specific examples

from this map. As we prepare to vote on the proposed trade agreement with Mexico and Canada, let us fully understand who is paying and who will pay the price of misguided United States trade policies.

CONFERENCEGATE

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

Mr. EVERETT. Mr. Speaker, everyone in Washington loves a good scandal.

We have Travelgate. A modern Rasputin—a Hollywood producer of all things—demands that the White House travel office be reorganized.

We have Post Office Gate. A couple of Members of Congress are implicated in a post office scandal.

We have Sessionsgate. The FBI director is sacked by the President for various reasons.

And later this month, we will have Conferencegate. The Democrats pull off the biggest heist in history, taking billions of dollars from small business owners and middle-class taxpayers in the budget reconciliation conference.

Of all the scandals, the worst is Conferencegate, also known as Taxgate.

I urge my colleagues to reconsider this break-in to the wallets of the middle class, before the administration opens the floodgates of taxes and drowns our small business sector.

STAMPS FOR CASH

(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, from food stamps to Elvis, and now stamps for cash.

The creative financing genius of Washington, DC, Mr. Speaker, is unbelievable, which forces me to ask, why raise taxes, Mr. Speaker?

If Congress can turn the House post office into a money machine, why cannot Congress balance the budget?

That, Mr. Speaker, is a most legitimate question. Think about it.

I think the post office has come a long way from the days of the Pony Express. There is an express all right, but it is a money machine account now.

SOAK THE RICH

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

Mr. BOEHNER. Mr. Speaker, in 1990, Congress, and a Republican President, narrowly passed a budget reconciliation bill that raised taxes on the rich

to reduce the deficit. Since 1990, however, there has been a \$6.5 billion decrease in tax payments for those Americans earning over \$200,000 a year.

So here sits Congress today, under a Democrat President, facing another budget reconciliation bill, and proposing to do exactly what was done in 1990, raise taxes on the rich to reduce the deficit. However, President Clinton's plan goes beyond what was done in 1990 because his definition of rich is an individual who makes \$30,000 a year, not \$200,000 a year.

Mr. Speaker, have you ever heard the quote "those who do not learn from history are doomed to repeat it?" It very appropriately applies to Congress today. It is time to listen to what the people of America are saying, "Don't raise taxes—it doesn't work. More taxes equals more spending, which equals bigger Government." The message is loud and clear—cut spending first and shrink the size of this Federal Government.

THE GOP, AKA GRIDLOCK OVER PROGRESS

(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, in the past few days, the weather has finally broken and brought much needed relief from the oppressive heat to our Nation's Capital. Well, in the next few weeks, if the GOP, aka the guardians of the past and guardians of the privileged do not stand in our way, President Clinton will break the oppressive deficit and lopsided tax system to bring much needed relief to the middle class, the poor, the unemployed, and everyone else who is trying to get a fair chance to earn a decent living in this country.

The choice could not be any more clear. We can allow our Federal deficit to continue to explode by playing smoke and mirror budget tricks or we can take firm, bold steps toward the largest real deficit reduction in history. We can allow the wealthy to continue to chalk up millions through overgenerous tax breaks or we can have them pay their fair share. We can watch as working families struggle to stay out of poverty or we can provide them with an earned income tax credit.

Mr. Speaker, most of my constituents and I know where we stand. We support the President's bold plan for the future instead of the GOP's preference for GOP, aka gridlock over progress. Should not everyone?

GUARDIANS OF THE PAST?

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

Mr. BURTON of Indiana. Mr. Speaker, guardians of the past? Wait a minute. Let me get this straight. Guardians of the past, do you guys remember anything from the past?

In 1990, you rammed through this place the largest tax increase in U.S. history and you said you were really going to soak the rich.

Well, the gentleman from Ohio [Mr. BOEHNER] was just here a few minutes ago and pointed out that the tax increases that you levied on the rich reduced the tax revenues by \$8 billion. Why is that?

Well, when you take money out of people's pockets, that is money they cannot spend, money with which they cannot buy products, so you start laying people off. When you lay people off, you add to unemployment. When you add to unemployment, you put this country into a recession, and everybody suffers.

That is the thing that you folks do not remember. Here you are again coming back with the largest tax increase in history and you say that the Republicans do not have an alternative. We had two or three alternatives that would balance the budget without any tax increases and not put this economy into a tailspin.

So what are you going to do? You are going to do the same old things you have done in the past, tax, tax, tax; spend, spend, spend, and try to elect, elect, elect; but the problem is the American people are wise to you and they are wise to President Clinton. They do not want more taxes. They want to cut Government spending first and get this massive Government under control.

DEMOCRATIC NATIONAL COMMITTEE DECIDES TO ATTACK ITS OWN

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

Mr. ABERCROMBIE. Mr. Speaker, over the weekend I am sorry to say that the Democratic National Committee has decided to attack its own.

We have what is called a message team that has been put together that is attacking working people in this country. The Democratic National Committee has failed to understand what its mission is. It actually has an ad on the air which says that special interests are now plotting how to wreck President Clinton's economic plan and block change.

Let us take a look at who these special interests are. The special interests are a waitress with three children and a cross-country truckdriver.

The special interests being attacked by the Democratic National Committee include all of us, including Members of the other body, who support

keeping the business meals and entertainment deduction as a stimulus to business.

The bottom line here, Mr. Speaker, is jobs. The bottom line is not jobs for the Democratic National Committee that is holding a fundraiser with the very special interests that it says it is attacking next Monday in Chicago.

I call on the Democratic National Committee and the Republican National Committee if they are against special interests to send back every single cent of money that they have collected from these special interests.

I only have 1 minute today, Mr. Speaker, but I will be back tomorrow and every day thereafter denouncing the special interests of all committees, Democrat or Republican, that are taking advantage of working people.

ANOTHER DAY, ANOTHER TAX

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

Ms. PRYCE of Ohio. Mr. Speaker, if it is Tuesday and it is Bill Clinton in the White House, there must be a new tax in store.

Another day, another tax.

And, surprise, it is a gas tax. We should not be surprised that the White House is so geared up for a gas tax. After all, Bill Clinton campaigned against a gas tax. Is that not the pattern? This is what Bill Clinton said in his campaign. "I oppose federal excise tax increases. Instead of a back-breaking federal gas tax, we should try conservation." In February of last year, Bill Clinton said to South Dakota farmers: "It is frustrating to me to be told that the only morally appropriate way to wean America off cheap foreign oil * * * is a nickel a gallon gasoline tax on the middle class and the family farm."

That's right, Americans. It is another day, another tax, and another promise broken by Bill Clinton. When will this White House get it, that Americans do not want more taxes? They want Washington to cut spending first.

□ 1220

H.R. 2010, THE NATIONAL SERVICE TRUST ACT

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

Mrs. CLAYTON. Mr. Speaker, I rise today in steadfast support of the National Service Trust Act of which I am a proud cosponsor. It gives me great pleasure to know that our President and Members of the House recognize the importance of community service and the need to provide our young people with educational opportunities.

I am most pleased that the Education and Labor Committee has added language to the bill expressly stating that a community service program that is designed to address the needs of rural communities is eligible for national service program assistance. Our rural communities face many hardships—poverty, inadequate health care, inequitable education systems, and a lack of job training programs. The unemployment rates in many rural areas are climbing and there is not much relief in sight.

The National Service Trust Act will allow youth in rural communities to work in national service programs to help their communities while at the same time expanding their educational opportunities.

I commend the President for his leadership on the National Service Trust Act. This legislation will benefit communities all across America, rural and urban, as it brings citizens together to work for the common good.

MORE THAN A QUORUM

(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, the distinguished chairman of the Ways and Means Committee did not mince words to the media when he described his preferred role for Republicans in this House. He reportedly said we are here to "make a quorum." He apparently expects 176 Members of this House to sit quietly by, allow our heads to be counted, and keep our mouths shut about the damage the majority is seeking to inflict on the American economy. I believe the chairman is going to be disappointed. The minority represents tens of millions of Americans—most of whom strongly oppose all three of the Democrats' tax-and-spend plans. We will not sit quietly by and watch the Democrats tax and spend this country further down the deficit drain. Americans did not send us to provide a convenient head count—they sent us to fight for what is right. Count on it.

MISSION CREEP IN SOMALIA

(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, for several weeks I have been concerned about the mission which our United States soldiers have in Somalia. What began as a very laudable exercise in humanitarian relief, protecting the delivery of food supplies, has become, more recently, a military adventure in which we are using U.S. firepower to, in the words of some, establish U.N. credibility in Africa, in effect to create a nation.

National building: from humanitarian roles to nation building. In the meantime, Mr. Speaker, U.S. people are at risk. Somalians, innocent citizens, are being killed. Pakistani peacekeepers are being killed.

Mr. Speaker, I am not an expert in military affairs nor in African affairs, but I do think that, as was said in this morning's paper by the columnist Jim Hoagland, that there has been what is called mission creep. We have crept beyond the original mission of humanitarian relief. I think that our mission in Somalia should be very seriously reconsidered.

MYTH OF THE NEW CONGRESS

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, in January a new Congress promised a change from tax and spend and business as usual. It is time for a 6-month gut check.

This new Congress was going to slash spending and balance the budget, but to date the Congress has already voted to increase spending at least \$14 billion over last year. This new Congress was going to spur growth in the economy. But so far the only thing growing is the size of our bureaucracy and the national debt.

America, it is time to hold our representatives personally responsible for their actions. If Members vote to increase spending we need to let them know how we feel about their broken promises.

As Edmund Burke said, "The only thing necessary for the triumph of evil is that good men do nothing." I urge all America to act today to make their Representatives cut spending first.

PRESIDENT CLINTON'S DEFICIT REDUCTION PLAN MISCONSTRUED BY THE GOP

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

Mrs. SCHROEDER. Mr. Speaker, I do not believe this Member has ever been in the well defending the Wall Street Journal, but today I stand here and say, "Kudos, kudos, kudos," because they finally got it right, and I hope every American reads page A-12.

Why do I want them reading that? Well, because, as the gentlewoman from Illinois said earlier on, the guardians of privilege, the GOP, in this article it points out how the GOP are the guardians of privilege and that they have totally misconstrued President Clinton's deficit reduction plan by misleading the public and misleading small businesses.

Now it is rare that the Wall Street Journal takes on the GOP, but this one

really lays it down. Obviously they do not tell so many of these people that their taxes really are not going to be increased because then the people would not do what they wanted them to do.

What does President Clinton's bill really do? It increases the taxes of the privileged, not the small businessman, and not many of the taxpayers that have been appearing at these different press conferences complaining.

Please read this. Please get it right. Let us have a little truth in this debate.

THE REPUBLICAN PARTY IS NOT THE PARTY OF THE RICH

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

Mr. BAKER of California. Mr. Speaker, I say to my colleagues, "What you just heard, Members of the House of Representatives and people at home, is more of the baloney that we have been getting these last 6 months, that the Republican Party is the party of the rich, we're going to protect the rich. But then we learn in the tax plan that soaking the rich means we're going to tax Social Security benefits. If you make over \$25,000 a year, that's the rich."

Which administration has more millionaires in it? The Reagan administration? The Bush administration? Or the Clinton administration?

Answer: C, the Clinton administration has more millionaires in its Cabinet than any Republican.

Mr. Speaker, why do we get fed this constant barrage of baloney that says the Republican Party is the party of the rich when they are going to raise taxes and the Democrats are going to eliminate jobs and cause a further recession?

I think it is time for truth in Government, that we stop belittling each other and get back to the facts. Do we want to tax and spend or cut spending first?

HELP FOR MIDWESTERN AMERICA

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

Mrs. MEEK. Mr. Speaker, I have been saddened to watch on television the destruction of thousands of homes and farms by the floods on the upper Mississippi. Eleven months ago my friends and neighbors in south Dade County, FL, suffered similar devastation.

Eleven months ago America showed it was a generous and caring nation for the victims of Hurricane Andrew. We can do no less for the victims of the July floods. We will not know the real cost of recovery until the waters recede and better estimates can be made.

I must compliment the President for his immediate effort to mobilize the Government while the waters were still rising. Secretary Espy has been untiring in his efforts. Vice President GORE and many others have sought out officials asking what they could do to help. They have not hidden in hotel rooms waiting to be asked, as happened less than a year ago.

The proposed supplemental appropriation bill which the committee marked up this morning is only the first installment, I am certain. I suspect that it will be necessary to rebuild many miles of highway and rebuild many bridges. Until the waters recede and the engineers can evaluate the damage, we will not have a reasonable idea of the cost, but I think it will be significant.

The magnitude of the destruction may have human impacts several months from now. In south Florida these human impacts did not become apparent for about 3 months. At that point despair became an enemy, and it has been necessary to increase mental health services. I hope this will not be the case in the flooded areas, but funds need to be ready to assist if this does happen.

Eleven months ago the people of Des Moines sent water and other assistance to assist the victims of Hurricane Andrew. Last week, the South Florida Jaycees sent a truckload of bottled water and other assistance to our neighbors in Des Moines. Areas still recovering from the Hurricane immediately responded to our friends' tragedy.

I am ready to vote for whatever funds are needed to help our American friends in the upper Mississippi watershed. If it adds to the deficit, then so be it. This is an emergency. Peoples lives are being destroyed. Only a person without a drop of the milk of human kindness in their soul would question such action.

There must be no doubt that this Congress will help the residents of the upper Mississippi rebuild their lives. I am ready to do my part.

□ 1230

REVERSING THE POLICIES OF THE EIGHTIES

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

Mr. SMITH of Texas. Mr. Speaker, the administration is trying to get America to swallow the bitter pill of the largest tax increase in history. To sweeten the swallow, the White House has decided to add some sugar: billions of dollars of new spending.

This sweet and sour strategy is a remedy for the new malady Mr. Clinton thinks he has discovered. The President says America is sick and he knows

what ails it: the 1980's. You remember the 1980's, when all America's economic groups did better? Well, the President wants to reverse that, and he has just the tax and spend potions to do it.

To most people, everyone getting rich isn't a problem—it's a goal. But this administration thinks it is a problem when folks find they can get ahead—not just get by—without the Government signing a check.

As usual, the President has misdiagnosed again. America doesn't need the bitter pill of more taxes and it does not need the sugar of more spending. What it needs is a second opinion, but all it is getting from administration doctors are grounds for a major malpractice suit.

URGING A BAN ON BGH TO CURB UNWANTED MILK SURPLUSES

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

Mr. SANDERS. Mr. Speaker, I speak today in defense of the family farm and point out that if our family farmers continue to go under, agricultural production in this country is going to rest in the hands of a few giant agribusiness corporations, and that will be a disaster for this Nation.

Specifically, I urge the House of Representatives to support the Senate in an effort to bring to the reconciliation bill a 1-year ban on bovine growth hormone use, BGH as it is called, which was recently developed by the Monsanto Chemical Co. In Europe today BGH is now banned. It is banned in New Zealand, and it is banned in Australia. It will expand milk production at precisely the time we do not need to expand milk production, because that is only going to drive our dairy farmers off the land.

Mr. Speaker, I urge the Members of the House to support the "Dear Colleague" by the gentleman from Wisconsin [Mr. OBEY] and myself which urges the agricultural conferees here in the House to support the Senate. Let us ban BGH to protect our consumers and protect our farmers.

FINDINGS OF THE COMMISSION ON AIRLINE COMPETITIVENESS

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

Mr. BLUTE. Mr. Speaker, earlier this year, the Congress established a Commission to study and report on the economic state of our Nation's airline industry and make recommendations for a revitalization of the industry. The Commission was comprised of nominees made by the President and the leadership of the Congress, and was charged with finding ways to improve

the competitiveness and stability of America's airline industry.

This national panel, created and appointed by the Congress and the President, had but 90 days to evaluate the state of this ailing industry and offer its recommendations.

Well, the results are in. And according to the experts, the best way to fix the sorry state of our airlines is to get Government off of their backs and out of their pockets. Mr. Speaker, I could not agree more.

What has always seemed self-evident to most Americans has now been confirmed by our National Airline Commission—that less regulation and less taxation is the only way toward prosperity. But just as this is true for the airline industry, so too it applies to manufacturing and every other industry.

My message to my colleagues, especially those who will be serving as conferees on the budget in the coming days and weeks, is this: Heed the good advice we have been given by our very own Competitiveness Board. Stop thinking that people and businesses can be taxed into a state of financial well-being. Get Government off of their backs and let all of America's industries soar into the 21st century along with our airlines.

RESPONSE TO FLOODS HIGHLIGHTED BY VALOR OF PEOPLE OF THE MIDWEST

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

Mr. DURBIN. Mr. Speaker, I am going to suppress the urge to engage in this political debate about taxes and spending for a moment and ask the indulgence of the House and all those listening to bear with me. My congressional district has about 75 miles of the Mississippi River, and we all, of course, have seen the brunt of the flood on television.

At the outset let me commend the Clinton administration—President Clinton, Vice President GORE, and the entire Cabinet—for working overtime to let the people across the Midwest know that they understand the depth of the problem and they are going to do everything in their power to help the families and the people who have been displaced by this terrible flood. I think that is something that most Democrats and Republicans would agree is good for this country.

Let me also say on a personal note that I am a son of the Midwest. I was born there, and I am proud of that fact. I have never been prouder since I have seen what has happened along the banks of the Illinois River and the Mississippi River in my district during this flood.

We have not only attracted Red Cross volunteers from across the Nation and

Salvation Army workers who are feeding hungry people, but there has also been an amazing demonstration of support from people in my State and region. Scores of church groups are coming out to sandbag the levees. National guard units are working night and day. The young and old are volunteering to help in hundreds of different ways. This outpouring of support makes me proud of the Midwest. We do not have mountains, we do not have oceans, but in the Midwest we surely have good neighbors and a lot of people who are working overtime to help those in need.

FLOOD RELIEF SPENDING SHOULD TAKE PRECEDENCE OVER OTHER EXPENDITURES

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

Mr. COLLINS of Georgia. Mr. Speaker, the relentless waters of the Mississippi River have washed away the dreams of many Americans. The Federal Government has a responsibility to help those Americans rebuild their lives. But never before has there been a better time or opportunity for Congress to truly prioritize spending.

At a time of tight budgets, spending Federal dollars to help those flood victims is more important than spending some 900-plus million dollars on direct aid to Russia or spending \$1.9 on a space station or \$300 million on additional health care benefits to illegal aliens and spending millions of taxpayer dollars on the National Endowment for the Arts.

This week Congress will be considering a \$2.48 billion flood emergency supplemental appropriations bill.

Mr. Speaker, I call on the President and the leadership of Congress to offset this new spending. Let us work together to cut spending dollar for dollar for the cost of this national emergency. We should stop the flood of deficit spending and be responsible and help those Americans rebuild their lives.

NEW JERSEY CONSTITUENTS AWAIT NEW EFFORTS FOR JOB CREATION

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

Mr. MENENDEZ. Mr. Speaker, I have a message for the budget conferees. It comes from the 10.1 percent of eligible workers in my district who are unemployed. That is thousands of people who are still waiting for the change they voted for and who are still optimistic that we can deliver the one thing they need more than anything else—jobs.

Mr. Speaker, I know we can do it, and that is why I want our conferees to know that these people and millions

more across the country are waiting and watching. They are waiting and watching to make sure, to demand, that we deliver, that we deliver incentives to invest in small business, that we deliver empowerment zones, and that we deliver jobs.

We know that small businesses provide the bulk of this country's jobs. Let us preserve incentives for investment in small businesses. Let us pass them. We know the benefits of empowerment zones. Let us preserve that proposal, too, and let us pass it.

Mr. Speaker, regardless of what we may hear on the other side, deficit reduction is also job creation. Eight million new jobs would be created by the deficit reduction plan the President has put forth over the next 4 years. Each of us has thousands of people at home waiting and watching as well. This is the time to stand up and deliver on their behalf.

REMOTE SENSING AMENDMENT

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

Mr. SMITH of Michigan. Mr. Speaker, I rise today to discuss a bill I have just introduced, H.R. 2634. The legislation directs NASA and the Department of Agriculture to work together with private industry to make better use of remote sensing data for American agriculture.

Remote sensing satellites, by photographic and radar imagery of the Earth from space, can provide important information to American agriculture. With this information, we have the potential to, first, anticipate potential food, feed, and fiber shortages and gluts; predict impending famines and forest infestations in time to mitigate or prevent them; provide information on the condition of crops and cropland; assist farmers in the proper application of pesticides, nutrients, water, and other inputs to maximize crop yield; help farmers decide what kinds of crops to plant, based on predicted acres and yield in other countries and southern climates; and improve the administration of agricultural policy savings.

Today, Mr. Speaker, the United States has two remote sensing satellites flying under the Lampsat Program. The data produced by these satellites and other remote sensing might greatly improve the operation of farms and the administration of farm programs. But we are not using this technology as well as we might.

The legislation I offer also directs NASA and the Department of Agriculture to work together, and with the private sector, to find ways to improve the use of remote-sensing technology in American agriculture. Those agencies are then directed to report their findings back to Congress.

I am delighted by the broad bipartisan support I have seen in this body to improve American remote-sensing technology. I thank the chairman of the Science, Space, and Technology Committee for his support and cosponsorship of this bill.

This bill, Mr. Speaker, without additional cost, helps bring American agriculture into the 21st century. We lead the world in space technology; let us take advantage of that know-how. I invite cosponsors, and ask the House to pass this legislation.

PUBLIC MAY BE MISLED ON SMALL BUSINESS EFFECTS OF CLINTON TAX PROPOSAL

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

Mr. FAZIO. Mr. Speaker, the leading business journal in America had a headline today, "Foes of Clinton Tax Boost Proposals Mislead Public and Firms on Small Business Aspects."

Yes, that is true. The Republican Party and the front group for them, Citizens for a Sound Economy, have been doing just that. Let me read from the article in the Wall Street Journal:

Only about 4 percent of those taxpayers, small businesses, who report some business income on their tax returns, and that includes partners in law firms and investment bankers, as well as owners of small manufacturing concerns, make sufficient money to be hit by the higher tax rates.

Yet, Mr. Speaker, the opponents of the President's deficit reduction plan would have us believe this would drive up the tax rates on every small businessperson in America.

□ 1240

It is more of the same old protect the rich, but it is now done under the guise of protecting the engine of growth in our society, the small businessman, the entrepreneur who is creating jobs.

It will not work. Republicans are desperate to impose more gridlock and to bring down this deficit reduction plan. But, I repeat, it will not work.

TAKE BIG SPENDERS TO THE WOODSHED

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

Mr. COBLE. Mr. Speaker, according to columnist Jack Anderson, the Federal Reserve spent more than \$2 million in moving expenses for 17 officials over the last 3 years.

Closer to home, across the river at Fort Myer, a group of self-appointed decorators, apparently oblivious to the significance of reducing Federal spending, spared no cost in sprucing up the visitors' quarters, including \$352 brass

bathroom faucets, \$93 soap dishes, for a total cost of \$900,000, without the knowledge of the Congress.

These high rolling big shots should at least be escorted to the woodshed and administered a thorough thrashing to assure no repetition. Does the Congress respond in any way to such reckless, imprudent spending? No wonder that taxpayers beyond the Beltway have little respect for anyone connected with the spending of their tax dollars.

NATIONAL AND COMMUNITY SERVICE ACT

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

Mr. CLYBURN. Mr. Speaker, last week I had an opportunity to see leadership being developed and in action.

I visited City Year in Columbia, SC, a summer pilot which I believe should become permanent and year round.

I watched Marie Louise Ramsdale, T.J. Jordan, Carla Derrick, Eric Williams, Nia Henderson, John Pressley, Carrollee Hevener, Kisha Morant, Garrick Haltiwanger, Cheryl Dessausure, Andre Berry, and Heather Endrenyi work with the neighborhood children who attend St. Anna's Park Day Camp.

What I observed that day was a group of young people, when given the opportunity, going the extra mile; extending a hand to get the job done; and taking pride in their work, themselves, and each other.

Mr. Speaker, America was built on the prospect of opportunity. The National Service Trust Act, which we will be debating later today encourages service by young people through programs like City Year, Columbia. City Year, Columbia means an opportunity to serve and develop leadership.

I encourage my colleagues to vote for opportunity and community service. Vote for the National Service Trust Act.

ANOTHER BROKEN PROMISE BY THE WHITE HOUSE

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

Mr. THOMAS of Wyoming. Mr. Speaker, here we go again. President Bill Clinton's White House has done it again. Having campaigned on one side of an issue, his administration is doing the opposite. The issue is the gasoline tax.

In February 1992, Candidate Bill Clinton spoke out against what he called "a nickel-a-gallon gasoline tax on the middle class and the family farm." He even indicated opposition to a gasoline tax in his campaign book called "Putting People First."

That is what Bill Clinton said. But what is Bill Clinton doing? His Budget Director this weekend said that the Clinton administration is, you guessed it, looking more at a gas tax, the same gas tax he railed against when he wanted the votes of the primary voters in South Dakota. He campaigned against the gas tax, and today Bill Clinton's White House is for a gas tax.

Another flip-flop, another broken promise. The American people deserve better.

BAN ON MILITARY SERVICE BY LESBIANS AND GAY MEN

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

Mr. NADLER. Mr. Speaker, the President's announcement yesterday concerning the ban on military service by lesbians and gay men was a grave disappointment for all of us who believed that we would finally deliver a proper military funeral to this policy of official discrimination.

The new "Don't ask, don't tell, don't get caught" policy represents a reaffirmation of the policy of official bigotry by the United States, with changes only in the methods by which that bigotry will be enforced. And we know the President knows better.

While many Americans may believe that lesbians and gay men are so threatening that they should be subjected to official discrimination, the President has made it clear that he does understand the senseless and fundamentally un-American nature of the military ban, which deprives our Nation of the services of many talented individuals and serves as a calculated affront to millions of Americans, in and out of the military.

I think of those whose lives will be affected by the maintenance of the ban. Joe Zuniga, the sixth U.S. Army Soldier of the Year, Tracy Thorne, Keith Meinhold, Margarethe Cammemeyer, and the list goes on and on.

I look forward to the day when our country's leaders act on the conviction that human rights are indivisible; when all Americans, regardless of race, creed, color, sex, sexual orientation, or other characteristics irrelevant to their professional performance, are allowed to serve their country without shame or fear of retribution.

UNITED STATES TROOPS IN MACEDONIA

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

Mr. RAMSTAD. Mr. Speaker, 300 United States ground troops are being used as symbolic pawns in the quagmire in the former Yugoslavia.

The commitment by the administration of these United States troops to Macedonia is the first step down a slippery slope for the United States: As the Minneapolis Star Tribune recently point out, the Macedonian question has been the cause of every great European war for the last 50 years.

Last weekend, the Macedonia Defense Minister said that if war erupted, Macedonia would appeal for 5,000 to 10,000 more American troops.

Mr. Speaker, the lessons of Vietnam should be clear. Our commitment of ground troops in Macedonia clearly threatens to escalate our military involvement in the Balkans—and our presence will not solve the intractable Macedonian puzzle but will only expand the fighting there.

I have introduced a resolution expressing the disapproval of Congress of the U.S. troop deployment and its lack of a clearly defined mission.

I urge Members to cosponsor my resolution and let President Clinton know that American troops must not be used as symbolic sitting ducks anywhere in the world.

RETAIN BAN ON GAYS IN THE MILITARY

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

Mr. BARTLETT of Maryland. Mr. Speaker, this week the country and the Congress will be focused on gays in the military. The administration seeks to lift or partially lift the ban.

Mr. President, you cannot do this by Executive order.

Mr. Secretary of Defense, you cannot do this by issuing a directive.

Let me read from section 1, article 8 of the Constitution: "The Congress shall have the power to make rules for the government and regulation of the land and naval forces."

If the lifting the ban on gays in the military is not making a rule for government and regulations of the military, then, pray tell, what would constitute such a rule?

Mr. President and Mr. Secretary of Defense, the Congress clearly has the responsibility here and it will exercise that responsibility by enacting into law a policy that will maintain essentially intact in policy banning gay in the military, which has served our great military so well for more than half a century.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair would remind Members that their remarks should be addressed to the Chair, and not to the President of the United States directly.

RESOLUTION TRUST CORPORATION

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

Mr. HUTCHINSON. Mr. Speaker, we will soon be voting billions more for the RTC.

The RTC's tactics remind me of the "Empire Strikes Back." Like the storm troopers in that movie, the RTC has too often ruined innocent lives and trampled upon individual rights. In addition billions have been spent on outside lawyers and steps need to be taken to reign in the growth of the RTC empire.

Constituents in my State have told the story that as RTC officials were setting up a command operation post, they were amazed to see one RTC regulator log on his computer with the rather unique computer code name—God. This is all too fitting given the frequent arrogance and abuse of individual rights that has come to characterize the RTC. Perhaps the code name should be changed to Darth Vader.

I urge my colleagues to vote against further funding for the RTC until these abuses are eliminated.

□ 1250

HALLELUJAH, MR. SPEAKER

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

Mr. ZELIFF. Hallelujah, Mr. Speaker, change is coming. Hallelujah, Mr. Speaker, gridlock is over.

The tax-and-spend Democrats have a new message and it goes like this: Hallelujah, change is coming. Hallelujah, gasoline taxes on middle-class Americans are going up.

Hallelujah, Social Security taxes on our middle-class senior citizens will rise from 50 to 85 percent.

Hallelujah, the business meals and entertainment tax is going way up.

Yes, gridlock is over, but Hallelujah, under the President's plan the budget deficit is going up.

No wonder that the Democrat Party wants its members to avoid specifics and smile, smile, smile.

Hallelujah, the tax and spenders control both Houses of Congress.

Hallelujah the tax and spenders control the White House. Gridlock is over and America's taxes are going up.

Yes, Mr. Speaker, the Democrats are smiling, but many of us know that the people of America won't be smiling when they start paying higher taxes to support more Government spending.

OPPOSITION TO RUSSIAN PARLIAMENT'S ANNEXATION OF UKRAINE SEVASTOPOL

(Mr. GILMAN asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, if we needed any reminder of the negative role that the Russian Parliament, as it is currently constituted has been playing in opposing reform in Russia and stability in Europe we got an appalling one earlier this month.

On July 9, the Russian Parliament, the Supreme Soviet, adopted a resolution declaring that the city of Sevastopol in the newly independent Ukraine is to be a part of the Russian Federation.

Mr. Speaker, any move by Russia to arbitrarily claim a portion of a neighboring country's territory is a clear violation of Russia's obligations, as a member of the United Nations, the Conference on Security and Cooperation in Europe, and other international organizations, to honor internationally recognized borders.

Mr. Speaker, we cannot criticize this action by the Russian Supreme Soviet strangely enough. It was encouraging to learn, that both Russian President Boris Yeltsin and our United States Ambassador to Ukraine, Roman Popadiuk, have already done that.

On July 10 the day after the Russian Parliament adopted the resolution on Sevastopol, President Yeltsin stated publicly that he was ashamed of the action it had taken. American Ambassador Popadiuk stated that the United States regards Sevastopol as "an integral part of Ukraine," reiterating that one of the basic principles of the Conference on Security and Cooperation in Europe is the inviolability of borders.

Mr. Speaker, let us commend President Yeltsin, not only for his quick response in this matter, but also for the recent meeting he held with Ukrainian President Leonid Kravchuk to seek agreement on some of the difficult issues outstanding between the two countries.

Mr. Speaker, I say to my Congress, at the same time let us call on the Russian Parliament to adopt a more constructive attitude and end its attempts to aggravate Russia's relations with its newly independent neighbors.

DRUG CONTROL POLICY

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

Mr. OXLEY. Mr. Speaker, the Clinton White House is again sending the message that it is not serious about drug control. The House-passed labor/HHS appropriations bill slashed \$231 million from drug treatment and education programs, and it turns out that these cuts were included at the suggestion of OMB officials. The very next day, at the swearing-in of drug czar Lee Brown, the President repeated his campaign promise to provide "more

and better education, more treatment, more rehabilitation." Lee Brown is quoted as saying that he was unaware of the cuts until he read about them in the newspaper the following morning. Talk about the left hand not knowing what the right is doing.

I have a lot of respect for Lee Brown, and I told him personally that I will do all I can to help him succeed—but look at the position he is in. His staff at the drug policy office is cut back to 25 people, the Justice Department is considering scaling back interdiction efforts, and OMB is gutting education and treatment, which were supposed to be the heart of Clinton's drug policy. What is more, the words "Drug Control" rarely, if ever, cross the President's lips.

As I said, I support Lee Brown, and I think he has the potential to be an excellent drug czar, but what he needs now is a lot more support from his own administration.

EFFECTS OF THE CLINTON TAX PLAN

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

Mr. WELDON. Mr. Speaker, I rise to continue my fourth in a series of examples of the real impact of the Clinton tax plan on real American people.

Mr. Speaker, the House of Representatives didn't just approve one tremendous tax hike when it passed the Clinton tax plan, it approved two.

Many of you may be unaware that the taxes we passed will be borne not just by families and businesses, but also by local governments all across America. That's right, local governments are not exempt from the energy taxes which passed the House. In fact, the Joint Committee on Taxation has estimated that 13 percent of all energy taxes will be paid by local governments.

I have here a letter from Thomas J. Bannar, township manager for Haverford Township in my congressional district. He states the problem very clearly: "Restrictions on raising revenues would mean fewer State and local dollars to provide programs and services that are desperately needed."

I say to my colleagues, this is just a backdoor way for Congress to force local governments to raise taxes to make up for this lost revenue. Bad enough that we passed the largest tax increase in history right here on the Federal level—but we are also going to force our local governments, who are trying too hard to meet the needs of our local communities, to raise their taxes as well. So we did not just vote for one tax increase, we voted for two.

New taxes from our State and local governments, new unfunded mandates for local governments, new overall burdens for the taxpayers at every level.

Some might think that Congress could only raise Federal taxes. Guess again.

TOWNSHIP OF HAVERFORD,
Havertown, PA, May 27, 1993.

Hon. W. CURTIS WELDON,
U.S. House of Representatives, Rayburn House
Office Building, Washington, DC.
Re Btu energy tax.

DEAR REPRESENTATIVE WELDON: State and local governments are not federal taxpayers and should not be subject to taxation under the proposed Btu Energy Tax. According to estimates by the Joint Committee on Taxation, payments made by state and local governments will account for 13% of the new federal revenues generated by this tax from 1994-1998. Historically, state and local governments have been exempted from such taxes, including federal gasoline and diesel fuel taxes.

State and local governments will have to bear significant new financing burdens if they are subject to the Btu tax. Restrictions on raising revenues at the state and local levels would mean fewer state and local dollars to provide the programs and services so desperately needed.

I ask you to support an exemption for state and local governments from the Btu Energy Tax. This new federally mandated cost on state and local governments should be rejected.

Very truly yours,

THOMAS J. BANNAR,
Township Manager/Secretary.

PRESIDENT'S POLICY DON'T ASK, DON'T TELL, DON'T MAKE SENSE

(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, yesterday, President Bill Clinton made his long-awaited announcement of his administration's new policy on homosexuals in the military.

I listened very closely to the President's statement and can only conclude that the new policy of the Federal Government toward homosexuals in the military is "Don't ask, don't tell, don't make sense." I do not believe that this policy satisfies anyone on any side of this issue.

Mr. Speaker, the President has taken a straightforward question and given us a hopelessly muddled answer. The critical issue is whether homosexuality is incompatible with military service. At the President's direction, Congress and the Joint Chiefs have reviewed this matter and reaffirmed the existing ban. That should be the end of the matter.

Mr. Speaker, the President is intent on promoting this new policy which changes little of substance, but undermines the firm legal foundation of the existing policy. His position is an open invitation to new legal challenges, and the American Civil Liberties Union has already announced its intention to file suit against it.

Mr. Speaker, President Clinton should scrap the don't ask, don't tell, don't make sense proposal and accept

the previous policy of the Armed Forces.

ECONOMISTS ANALYSIS

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

Mr. DREIER. Mr. Speaker, I would like to recommend that all of my colleagues take a look at yesterday's New York Times. There was a very interesting article in the business page.

What it was, it was a synopsis of analysis provided by a wide range of economists, a bipartisan group of economists consisting of some people who were very strongly supportive of President Clinton last fall.

Basically four resounding messages have come through from this survey taken among these economists.

First, as we look at this economic program for this year, they say there should be fewer tax increases, more real spending cuts, be very cautious, as we move ahead with health care reform, and proceed vigorously with implementation of a North American Free-Trade Agreement.

There are a wide range of quotes in this. I would like to just point to one from a man called Ed Yardeni, who is the chief economist at C.J. Lawrence. He was a very strong supporter of President Clinton's.

Of the economic plan he has said: "The best thing they can do for the economy is to figure out a politically acceptable way to walk away from the program."

It seems to me that as we look at these kinds of statements that have come forward in a bipartisan way, that proceeding with these four goals of fewer tax increases, more spending, bringing about a very careful look at health care, and proceeding with NAFTA is the way to go.

CFTA IS NO MODEL FOR NAFTA

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

Mrs. BENTLEY. Mr. Speaker, looking at the trade figures with Canada, I question whether or not the Canadian Free-Trade Agreement [CFTA] is a desirable model for NAFTA. The United States trade imbalance with Canada continues to grow from \$5.9 billion in 1991 to \$7.9 billion in 1992. Closer examination reveals that a large portion of the trade imbalance is in motor cars, auto parts, and accessories imported into the United States from Canada.

When the 1992 automotive products deficit of \$8 billion is translated into 20,000 jobs per each \$1 billion, we're talking about the loss of an additional 160,000 jobs. Will this mounting blow be

repeated under NAFTA which is supposed to be submitted to Congress by August 6.

Before we are steamrollered by lobbyists for NAFTA, Congress should fully examine the effects of the binational panels under the Canadian Free-Trade Agreement. Where does an American businessman challenge a ruling by an international panel when we know the doors are shut to the U.S. courts? The current live pig dispute with Canada is an example of no appeal except to GATT, which is always available because it is a separate treaty. We need to go back to the drawing board on NAFTA before it is too late—before we destroy the standard of living of the United States of America.

□ 1300

THE GUILTY PARTIES IN THE HOUSE POST OFFICE SCANDAL

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

Mr. WALKER. Mr. Speaker, last July, on July 23, to be exact, the House defeated a resolution or, in fact, tabled a resolution designed to try to get at the coverup of the House Post Office scandal. At that time I brought a resolution to the floor asking us to make public the committee transcripts of the proceedings of the task force that had been formed to look into this matter, including the depositions and statements of witnesses.

Today, upon the conviction of the former House Postmaster, we understand why that resolution was needed. All Members of the House have been put under suspicion at this point, since up to a dozen Members of Congress are believed to be involved in the trading of stamps for cash. Now we know why we needed to bring this information forward and go ahead.

I am disappointed to say 223 Democrats voted at that time not to allow the House to move forward and make public those records. I would hope that within the next few days we will move to aggressively address this issue again with a similar kind of resolution that will indeed deal with the House Post Office scandal, and that will also begin to deal with it in a sense of keeping innocent people out of the way in which we are dealing with it.

The problem is that we are all guilty until we figure out what the records show about who is really guilty.

UPDATED REPORT CONCERNING EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF BULGARIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 119)

The SPEAKER pro tempore (Mr. MONTGOMERY) laid before the House the

following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

On June 3, 1993, I determined and reported to the Congress that Bulgaria is in full compliance with emigration criteria of the Jackson-Vanik amendment to, and Section 409 of, the Trade Act of 1974. This determination allowed for the continuation of most favored nation (MFN) status for Bulgaria without the requirement of an annual waiver.

As required by law, I am submitting an updated formal Report to Congress concerning emigration laws and policies of the Republic of Bulgaria. You will find that the report indicates continued Bulgarian compliance with U.S. and international standards in the areas of emigration and human rights policy.

The Administration intends to propose legislation, which would let me terminate the application of Title IV of the Trade Act of 1974 to Bulgaria.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 20, 1993.

NOTICE OF CONTINUATION OF NATIONAL EMERGENCY WITH REGARD TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 120)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1993, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to U.S. interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I

have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Iraq.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 20, 1993.

REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1990—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for fiscal year 1991.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 20, 1993.

REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1991—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for fiscal year 1990.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 20, 1993.

GENERAL LEAVE

Mr. SMITH of Iowa. 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. 2519.

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

There was no objection.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

Mr. SMITH of Iowa. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2519)

making appropriations for the Departments of Commerce, Justice, and State, the judiciary, and related agencies for the fiscal year ending September 30, 1994, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa.

The motion was agreed to.

□ 1305

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 further consideration of the bill, H.R. 2519, with Mr. BROWN of California in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, July 1, 1993, the bill had been read through page 59, line 8.

Pending is the amendment offered by the gentleman from Colorado [Mr. HEFLEY].

The Chair recognizes the gentleman from Colorado [Mr. HEFLEY] for 5 minutes in support of his amendment.

Mr. HEFLEY. Mr. Chairman, as part of our continuing effort to cut Government waste, I am offering an amendment today to delete the funding for the Economic Development Administration. Just 3 weeks ago the gentleman from Minnesota [Mr. PENNY] made a point of order to strike \$223 million for new EDA grants and loans. In other words, 3 weeks ago we got rid of the program of EDA. It seems only natural and appropriate we now get rid of the staff of the EDA.

The amendment that I am proposing would complete the job by cutting the additional \$26 million in the bill for EDA's salaries and expenses. They have no program now. They do not need the salaries and expenses.

Mr. Chairman, during the campaign the President promised to increase investment through new public-private partnership. Good idea, in many cases, but I would caution the President to move carefully, because the EDA was such a public-private partnership. Its record is less than successful. Every group that has looked at this program, the inspector general, the Grace Commission, anybody that looks at Government waste, comes up with the EDA and tells us this is an absolutely awful program.

Over the past decade the EDA spent \$2 billion in unauthorized appropriations. The inspector general found the EDA invested \$27.5 million to create 86 jobs. That is \$320,000 per job.

Another IG investigation found \$82.5 million invested in 80 projects, almost half of which actually eliminated jobs. It has invested \$800,000 on a golf course that washed away, \$450,000 on a water tank that cannot be used, and \$670,000 on a marina that is too large for the town to maintain, and on it goes.

The EDA was created in 1965 to help economically distressed rural areas. Originally enacted, 12 percent of the country qualified for EDA assistance. Today EDA's mission has been expanded to 90 percent of the country. We all know 90 percent of this country is not economically distressed; at least, not yet.

How did the EDA lose its focus? Unlike the popular community development block grants, the EDA picks and chooses its own projects. This makes it highly susceptible to pressure from Capitol Hill. This makes it extremely valuable to Members of Congress. The result has been an administration with a 28-year history of bad projects and ineffective assistance.

It is not all Member-directed pork. Sometimes it is just bad management. Let me give the Members an example from my own district. Manitou Springs is a small resort community known for its natural sparkling waters. It is the home of the Manitou Springs Bottling Plant. In the early 1980's an investor bought the property with an EDA loan. Then he defaulted on the loan. In 1989, after dragging their feet over an ownership dispute, the EDA formally took possession of the property. Then nothing happened. The EDA did not market the property. No property managers or real estate professionals were hired. The sign outside the property did not say "for sale," it said "keep out."

The EDA did not maintain the property. At one time the city had provided the EDA with a list of code violations. In fact, the fire department would not use the bridge going to the property because they did not want to lose their truck. As a result, the EDA did not sell the property. For most of the decade, the bottling plant sat unused and deteriorating. While Manitou went through a deep recession, one of the best properties in town was tied up, vacant, deteriorating.

This is not just a Colorado phenomenon. At one point over 40 percent of the businesses receiving loans from the EDA were in default; 40 percent, almost half, in default.

□ 1310

This is an agency that is supposed to promote economic growth, not deflate it.

Let us protect jobs. Let us save communities. Let us save money for the Federal Government at a time of a money crunch and tight times. Let us eliminate the EDA.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

At one time EDA had an appropriation of I believe \$750 million. It was reduced very substantially perhaps several years ago down to where the Agency is primarily involved in getting projects up to the point where they can be financed locally.

Many local governments, for example, cannot float bonds until they have

certain kinds of studies and certain kinds of other material on the record. I think EDA has done a good job of that. The ones available for public works grants projects have been greatly reduced.

The Agency also administers the repayment of loans that come back into the EDA. We would not have any money at all even to administer the collection and repayment of those loans were it not for the salaries and expenses account that the gentleman proposes to strike. I think even if we were to completely eliminate the EDA programs, we could not strike the money that they need to administer the collection and the repayment of these old loan accounts.

I am opposed to striking this funding.

Mr. ROGERS. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I reluctantly oppose any amendment by my good friend, the gentleman from Colorado [Mr. HEFLEY]. He is a very close friend of mine, but I must oppose this amendment, because I think the gentleman is very much misguided on this point.

I represent one of those economically distressed areas of the country. I do not know what we would have done had it not been for the Economic Development Administration over the years. There just simply was no other place that a region like that can turn except to the Federal Government. The State of Kentucky, and I daresay most of the other States, do not have the kind of resources it takes to help a whole region lift itself up out of poverty and the lack of employment opportunities. The EDA has been the principal place, I daresay, for regions and communities to turn to for sewer projects, or water projects, or any number of other types of projects that would allow that community to lift itself up out of poverty, and I have seen it, time and time again, with hundreds of new jobs in our communities.

It is awfully easy if you represent an affluent area of the country, or a region of the country that does not need any external assistance, encouragement, or enticement to attract new industry, or to help an existing one expand, or to help a community that is otherwise helpless, with a sewer project or other enticements that produce jobs. But for many parts of this country, there is simply no other place to turn, Mr. Chairman, but to the EDA. I am sure that we can find here and there projects that were failures, projects that at first blush could be nipped. But there are dozens of good success stories for every single failure that one can point to. And I have to say that many of the projects that we are trying to help with EDA grants, are projects that cannot be financed in the private marketplace. You cannot get a

loan, or you cannot get a grant from a private source to do these types of projects, because many of them are risky.

So I say we should not destroy the possibilities and the hope that these EDA grants bring to poverty-stricken areas, or even areas that need economic development that could not be called poverty stricken, Mr. Chairman. So I hope that we can reject the amendment, even though my friend is a great Member of Congress. I have to oppose him on this one because I do think, on this particular amendment, he is very much misguided.

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

Mr. ROGERS. I am happy to yield to the gentleman from Colorado.

Mr. HEFLEY. Mr. Chairman, just one quick comment, and that is, I think it is just the other way around, maybe from the way the gentleman said it, in that I think you will find dozens of failures for every success. I am not saying that there are not successes—and there have been some successes with this. But I think if we look at the GAO report, the Grace Commission, any other study we want to look at that has studied this in an objective way, I think they will point out that there have been far more failures. And if we look over the years, for instance, at where the projects are, and it may just be an absolute coincidence that so many of them are in key Appropriations Committee Members' districts, and that a large number of them are in West Virginia. That may just be an accident, but I do not much think so.

Mr. ROGERS. Reclaiming my time, I cannot speak for all of the other Members on these projects, where they are, or what they have done, but I can tell Members a couple of mine in my own district. Our young people are moving away to other places seeking employment. There is no other choice for them. We educate them well, and then we ship off that tremendous talent to somewhere else that gains the benefits of it.

But we have seen, through EDA projects and grants, like in my home county of Wayne County, helping a company come in there called Avian Farms, providing 182 new jobs for people whose families now can live at home, rather than be shipped off to Ohio, Michigan, or perhaps Colorado or somewhere else. We have seen dozens of those projects.

So I hope we will not cut off this opportunity and this hope in a program that helps our people.

Mr. SMITH of Iowa. Mr. Chairman, I wonder if we can get agreement on a time limit on this amendment. Is 20 minutes enough, or do we need 30?

Mr. HEFLEY. Mr. Chairman, I think 20 minutes would be fine.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the debate

on this amendment, and all amendments thereto, close in 20 minutes, with half of the time allocated to myself and half of the time to the gentleman from Colorado [Mr. HEFLEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. APPELEGATE].

Mr. APPELEGATE. Mr. Chairman, I thank the gentleman for yielding the time.

Mr. Chairman, my friend from Colorado thinks the program is moving backward, this country is backward. But in fact, what I think this amendment reminds me of, is the guy who got up one morning, put his shoes on backward and walked forward into the past. I think what we are doing, in fact, is going to move backward.

EDA is a forward program to help people and communities. Yes, there is some pork. But we are going to find pork in just about everything we do. There is nothing perfect in life. God knows that I am not perfect, but my wife is not ready to divorce me yet, at least I hope she is not.

But to dismantle this program only denigrates Government's responsibility to help people and communities in an insurmountable time of need. This is American tax dollars going back to those who have paid the taxes 100 percent.

It is always amazing to me those Members who will cut programs that go back to help people, to reduce the debt, will then support programs that will send our jobs out of the country to other nations of the world by supporting NAFTA, and supporting liberal trade agreements with Communist China.

EDA has helped millions who have been hit by natural disasters, by economic disasters because of jobs that have gone out of the country. They have helped so many in so many different instances, and right now, with the defense base closures, EDA has helped in my area by saving a steel mill, and it has helped in my area by saving an aluminum company.

I can remember when the Reagan-Bush administration tried as hard as they could to dismantle this program, and they put in a guy who fell flat on his face and failed. Then he went on to manage Ross Perot's Presidential campaign. So you know what that says.

But the people support this, and they want their money to stay at home. Defeat this amendment. It is a misguided amendment. We should support a Government that is for, of, and by the people. Keep our money at home, help our local communities, help our local industries, and get back the jobs that are going overseas. Again I think that is the way we are going to be able to balance the budget.

□ 1320

Mr. HEFLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I rise in opposition to the Hefley amendment.

Mr. Chairman, while it is true that EDA has not been reauthorized since 1981, the fact is that sufficient support has resided in Congress to keep the program alive.

For fiscal year 1993, EDA received \$244 million in appropriations, plus \$27 million for salaries and expenses.

State-Justice-Commerce bill appropriates \$223 million for fiscal year 1994.

EDA is the Federal Government's principal agency to handle base closure-defense conversion programs. Members who have military facilities in their districts that are subject to downsizing or closure ought to be aware that EDA can play a very constructive role to assist local communities and local businesses. Don't forget there will be a second round of the Base Closure Commission in 1995.

DOD has transferred \$130 million to EDA for base closure-defense conversion programs. Money to be used for planning and project grants to minimize disruptions in affected communities.

EDA is also relied upon to provide assistance to areas devastated by natural disasters. Most recently, EDA provided \$75 million in disaster relief assistance for Florida, Hurricane Andrew; Hawaii, Hurricane Inikea; Guam; and Kansas.

Critics of EDA are quick to point out projects funded by EDA that sprang from admittedly make-work jobs initiatives funded by Congress in the late 1970's and early 1980's. EDA projects today are funded on a cost-shared basis, the amount of cost-sharing is related to the degree of distress suffered by the local community. Projects are supported by local governments; EDA is no longer in the business of fully funding make-work projects.

Mr. Chairman, I urge the defeat of the Hefley amendment.

Mr. HEFLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in strong support of the Hefley amendment to kill the pork-riddled Economic Development Administration.

I strongly applaud my colleague from Minnesota [Mr. PENNY] for his point of order which struck over \$200 million from the EDA.

But now we have to finish the job.

President Clinton, in his State of the Union Address, challenged us to come forward with specific spending cuts to reduce the deficit.

Here's one that should be on every Member's list.

The EDA is a program that simply will not die. Even though there has been a strong effort for 12 years to cut this wasteful program, Congress has continued to fund the EDA with unauthorized appropriations.

Today is our chance to finally terminate it once and for all.

This program embodies the law of bureaucratic behavior. It started with a noble intent—to provide assistance to economically distressed rural areas.

Then its programs were expanded dramatically—even though it had not demonstrated proficiency in its existing programs—to include development in 90 percent of the country. Clearly, 90 percent of the country is not impoverished, yet the EDA's turf continues to expand.

Mr. Chairman, we all believe in economic development.

But to continue draining funds from the jobs-creating private sector by running massive budget deficits hurts the economy and ultimately costs jobs.

Here's our chance to eliminate a very specific program, one that has long since outlived its usefulness and is only a drain on our economy.

Please join Citizens Against Government Waste and other taxpayers' groups in supporting the Hefley amendment and say "no" to the pork-barrel, deficit spending of the Economic Development Administration.

Mr. SMITH of Iowa. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. BARLOW].

Mr. BARLOW. Mr. Chairman, I rise in strong support of EDA, and the area development districts.

Mr. Chairman, I rise in strong opposition to the Hefley amendment to obliterate funding for the Economic Development Administration and the area development [AD] districts. In western and south-central Kentucky, the area development districts do an absolutely outstanding job of reaching into every county to help lift people up, to care for those in need, and to create infrastructure for jobs. The area development districts help small towns with water and sewer needs; they help fire and rescue organizations keep abreast of community needs; they help senior citizens with programs to serve their health and well being; they assist communities in developing industrial sites and businesses needing people with upgraded skills. These are just a few of the areas in which the AD districts work every day in my First Congressional District, and I strongly oppose this minority party attempt to set back the standard of living of the families of west and south-central Kentucky and to dash future hope for economic and community betterment.

Mr. SMITH of Iowa. Mr. Chairman, I yield 2½ minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado.

Mr. Chairman, I do not understand the logic of those who wish to abolish the Economic Development Administration. The EDA has a historic role in the pursuit of economic development and job creation in this country. Despite numerous attempts to undermine

the program during the 1980's, the EDA has survived. It has survived because it works. It works for small businesses, entrepreneurs and local governments trying to foster real economic growth.

The EDA is a cost-effective means to spur the economy—local economies in particular.

The EDA is a small program. Yet, most of us in Congress understand its importance to be much greater than mere dollars. EDA programs often leverage additional economic development, in both the public and private sectors, in regions where the programs operate.

However, as we move into the 21st century, and as this country begins to deal with the structural changes of our economy, the EDA's purpose has broadened.

In California, a State which has an unemployment rate hovering at 10 percent despite a national economic recovery, the EDA has become the focal point—the organizer, if you will—of the Federal Government's efforts to turn the California economy around. President Clinton has begun an ambitious program of economic conversion. This program is essential in California, where a disproportionate portion of the military downsizing has occurred.

This program is bureaucratically complex with funding sources in the Department of Defense, Labor, HUD, as well as Commerce. Representatives of the EDA have visited California several times this year and are developing a program to simplify and quicken the administration's efforts in defense conversion.

In other areas dealing with economic development as well, EDA has taken a coordinator's role.

It is foolish to think about the relatively small savings that can be derived in the short run by eliminating the EDA. In the long run, the negative economic impact in community after community would vastly outweigh the small budget savings.

In conclusion, Mr. Chairman, I urge my colleagues to oppose this attempt to delete \$26 million in salaries and expenses from the Economic Development Administration. To me, this action would define the saying "Penny wise and pound foolish." Vote "no" on the amendment offered by the gentleman from Colorado.

Mr. HEFLEY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York [Ms. MOLINARI].

Ms. MOLINARI. Mr. Chairman, I thank the gentleman for the time, and I rise in opposition to the amendment.

Mr. Chairman, I am not one of the Members that you might expect to be here today defending the Economic Development Administration. I represent residents of Staten Island and Brooklyn, NY, hardly a rural area that the EDA caters to. My district is not part of an economic development district and since its

creation, the EDA has done little work, if any, in my district.

Yet, today I am here to oppose the gentleman's amendment because the communities I represent and hundreds like them across the country now need the help of the EDA more than ever. When the Base Realignment and Closure Commission finished its work last month, communities from Charleston to Alameda started the road to economic conversion. The one agency that can truly help these communities is the EDA.

Mr. Chairman, the EDA is at the forefront of helping communities adjust to the economic dislocations caused by defense cutbacks and the base closure process. The EDA has wide-ranging authority under title IX to provide comprehensive assistance to affected communities. Under grants already awarded, the EDA has funded proposals to: Establish loan funds to help small businesses reduce defense dependency, invest in physical infrastructure to enhance economic development opportunities, develop business incubator and training programs, and establish community strategy to deal with the cutbacks.

In fact, a recent report done by the Department of Defense suggested that EDA was the best qualified Government agency to oversee the planning and implementation of conversion efforts.

In my district, the closing of Naval Station New York will mean the loss of 3,225 jobs. We will need help creating new jobs for these displaced workers and replacing their income in the community. We will need the help of the EDA.

On behalf of the hundreds of communities that will be affected by this most recent round of base closings and future rounds, I ask my colleagues to vote against the amendment.

Mr. HEFLEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, the age-old dilemma has descended upon us; we know some of the good program intents of the EDA. Many of us have helped make them work back in our districts. But now comes the time, the other side of the dilemma, when the budget deficit is rearing its head to bite us all and to hurt our economy in the long run and to hurt our society as well while doing its worst on the economic situation in our country.

Which shall we do? We must in the final judgment come down on the side of reducing the budget deficit. Since the House has already spoken on the subject, I reluctantly, although I can speak eloquently about some of the work of the EDA in the past, I must come down on the side of fiscal sanity and vote consistently with the House to make sure no extra dollars are spent for these programs.

Mr. SMITH of Iowa. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina [Mr. CLYBURN].

Mr. CLYBURN. Mr. Chairman, I thank the gentleman for yielding, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Hefley amendment which will have the effect

of closing down the Economic Development Agency.

The Economic Development Agency will channel a substantial amount of money into areas affected by base closings and will assist communities facing the economic dislocation as a result of these closings. In my congressional district, as a result of the closure of the Charleston Naval Base and Shipyard and other naval facilities, we will lose over 29,000 military and civilian jobs. We are facing the harsh reality of reshaping an economy long molded by the military presence there.

I do not think it wise or prudent at this time to shut down an agency which will play a major role in defense conversion.

We need the title IX "Special Economic Development and Adjustment Assistance," administered by the EDA, and I would urge my colleagues to join with me in opposing the Hefley amendment.

Mr. SMITH of Iowa. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. BARCIA].

Mr. BARCIA of Michigan. I thank the gentleman for yielding time to me.

Mr. Chairman, in this time of economic difficulty, how can we come to the floor to discuss yet another way to eliminate investment? The Economic Development Administration provides investment capital for community development and economic diversification, strategic planning and technical grants, and infrastructure projects, all with a tremendous record of success; in short helping the needy communities of this Nation to help themselves.

If we are to confront the economic distress being faced by too many American citizens, we must act in a timely fashion. The EDA is a perfect mechanism with which to do this. It offers its programs to urban and rural communities alike, in all regions of the country. We cannot continue to ignore such communities.

Let me illustrate EDA's potential with just one example from my district. Many communities are facing tremendous hardship due to the pending closure of a military base in their area. The Air Force has predicted that last month's closure of Wurtsmith Air Force Base will result in a loss of 50 percent of the population of Oscoda, MI. The Air Force economic analysis estimates an unemployment rate of approximately 27 percent after the closure of Wurtsmith. Now 27 percent unemployment may be acceptable to some Members of this body, but it is not to me.

The Michigan Department of Social Services has predicted that by 1995, one-third of all households in Iosco County will be receiving social program assistance due to this loss of jobs. In the case of Iosco County, a grant to improve water delivery to the area will generate jobs by attracting eight companies which have committed to the abandoned base if the infrastructure can support them.

The people of Iosco County cannot pay for such improvements themselves.

They have come together in a regional effort, donating their time and energy to plan the base reuse project and recruit companies. But without help from EDA, they are lost.

Mr. Chairman, as a freshman Member of this body, I share the commitment of some of our colleagues to cut unnecessary spending. But there are those among us who promote a cutting frenzy for political gain, with no thought to the effect of their actions. We must have a responsible, and I emphasize here a responsible, budget policy.

All of us learn as children the old adage "pennywise and pound foolish." What we have here is an opportunity not to act this adage out. The return on such investments is immeasurable, not just in tax revenue and lower social program payments, but in pride, self-esteem and self-sufficiency.

In the case of the EDA, either we choose to help our people to help themselves—to rebuild their communities and restore their children's future—or we will be forced to support them in their poverty through unemployment insurance and welfare, perhaps for generations.

I choose to afford dignity to economically struggling communities through agencies like EDA. Our colleagues must decide for themselves, Mr. Chairman, which they believe is the better alternative.

□ 1330

Mr. HEFLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I rise in opposition to the pending amendment, which would have the effect of killing the Economic Development Administration.

Now, more than ever, we need the EDA, the one government agency whose resources are committed to what all of us should acknowledge is a matter of the highest priority—revitalizing our economy. How quickly we forget. Just last fall the phrase "it's the economy, stupid" was on all of our minds. And rightly so, for millions of Americans were unemployed not by choice, but by circumstance. Then—and now—there was and is a pressing need to get our economy moving in the right direction. Then—and now—it requires more than good will and best intentions.

The EDA gets a bum rap and I have to admit that most of it comes from well-intentioned if not well-informed Republicans.

For the past dozen years there has been a conscious effort by two administrations to eliminate all funding for EDA. The professionals in that agency, who day in and day out labor hard to make it work, have been handicapped in their efforts because of no support at the top. Despite that lack of support, EDA has managed, with a very limited budget, to finance worthy projects, projects that preserve existing jobs and promote new jobs, all over the country including in the district I represent.

This isn't just my pet theory, it is a fact. I serve now and have for a number of years on

the Economic Development Subcommittee and have heard testimony from literally hundreds of expert witnesses about the good works of the EDA.

Has everything been perfect? By no means. There is always room for improvement in every agency and every phase of Government activity.

This amendment goes about our work in the wrong way. Rather than seek to improve that portion of the agency's work and approach which might need improving, it seeks to destroy everything. Talk about throwing the baby out with the bathwater. At a time when vast areas of the Nation are hurting because of natural disasters and at a time when vast areas of the Nation are facing economic hardship because of significant cuts in defense and the military installations which support our national security, we should be focusing our efforts on how to strengthen and make more productive an agency whose mission all Americans applaud. Let's give EDA something it has not had in more than a decade, strong support and adequate resources and we will all be the better for it.

Mr. SMITH of Iowa. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

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

Mr. Chairman, for several years I served as chairman of the Subcommittee on Economic Development and chaired the Investigations and Oversight Subcommittee that looked into—not just looked into, but rigorously investigated the way in which the EDA conducted its programs.

This is just one of several volumes of hearings we conducted in depth on the good things that the EDA accomplished in some of the problems that the program had that the Congress created by grandfathering in counties. The Congress so loved the EDA that it did not ever want to let go; Members did not ever want to let go of its eligible counties.

We devised a totally new program, indeed with the support and insight of the gentleman from Kentucky [Mr. ROGERS] who was so helpful on this and on the ARC, and with the former ranking member of the Committee on Public Works and Transportation, the gentleman from Arkansas, Mr. Hammer-schmidt, and my colleague, the gentleman from Pennsylvania [Mr. CLINGER].

We reshaped and rewrote this program, and three times it passed the House by votes of four to one, but it would never get through the Senate because the White House was always able to get a Senator to block the legislation from moving ahead.

We will deal with it this year. We will have a bill out that will mirror the legislation of the past, that will correct the problems in law, although the gentleman from Iowa in his appropriations legislation has done a great deal of reining in and limiting the way in

which the EDA operates. I will not go into the details of how that program functions.

I just want to comment, though, and I am sorry the gentleman has left the floor, my dear friend and colleague, the gentleman from Minnesota, who said of the EDA that it is a wasteful program.

It is easy to say when you represent an area like the silk stocking district around Minneapolis-St. Paul, where the per capita income per individual is about twice that of a household in my congressional district and that which the gentleman from Kentucky represents, where the EDA investments in infrastructure, in industrial parks, new businesses, created jobs, permanent jobs that are returning every year to the national economy \$6 billion in taxes to Federal and State governments, three times what the Federal Government has invested in the EDA.

Mr. Chairman, this is a sound and solid investment in jobs for the future of America. Defeat the amendment.

Mr. HEFLEY. Mr. Chairman, let me just close, if I might, with a few comments.

One of the speakers on the other side said that they do not understand the reasoning why we would want to cut the EDA. If you had listened to what I said at the outset, when you go down through it, it is not that the EDA or most of the other programs that we have talked about in here so much this year is an entirely evil program. It is just that it is a program that is unnecessary and that has a great deal of evil in it over the years.

Is it not interesting that the only study done of the EDA that anyone can find that says, yes, it is a pretty good thing, it needs to be revised, but it is a pretty good thing, is a study done by Congress. Congress does not want to give this up. This is a wonderful source of "take home the bacon" for the folks back home.

Let me just end by saying this. I gave the example of EDA jobs created. Now, in many of the programs they do not create jobs. They lose jobs, but in jobs they have created, it costs about \$320,000 per job to create, \$320,000 as opposed to if those jobs had been created in the private sector, if you took the money that is going to the EDA and you left it in the private sector and you let the private sector create the jobs, it averages about a \$35,000 to \$40,000 investment to create a job. That is not good fiscal sense.

Mr. Chairman, let us kill this thing once and for all.

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

Mr. SMITH of Iowa. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, I rise in strong opposition to the amendment to strike funding for the Economic Development Administration

[EDA] contained in H.R. 2520, the Interior and related agencies appropriations bill.

Since 1982, the last time the EDA was authorized, the House and Senate budget and Appropriations Committees have seen fit to keep EDA functioning by funding it in the absence of an authorization.

This body voted for those bills to continue EDA—for the past 12 years.

Since 1982, the House of Representatives has passed reauthorizing legislation for the EDA.

For 12 years—Members of this body have voted to reauthorize EDA.

With so much support over 12 years to continue the vital work of the EDA—why are we here today trying to delete funds for those public works—developmental opportunity—job-creating programs?

This Government has failed to invest in its infrastructure here at home for 12 years—while spending more than \$300 billion a year on defense buildups. That is why we are here today, trying in this modest way, to continue funding the EDA.

In case you have not heard, we are downsizing the military. We are closing military bases. The cold war is over.

We are trying to plan for and to pay for defense conversion.

Our President has chosen EDA as one of the means for use in moving defense conversion programs forward.

Let us help him.

What good are EDA programs; let me just cite a few in my district:

Just recently the Greenbrier Public Service District No. 1 was awarded an EDA grant of \$686,000 to extend a public sewer to two vital businesses that, without this investment, would have moved their businesses out of our State. A significant number of jobs would have been lost had this occurred, and West Virginia cannot afford to lose jobs.

This past May, the Cowan Public Service District in Webster County was awarded an \$890,000 EDA grant to make improvements to their public sewer system. Again, these improvements mean hope for an economically depressed county—making the area attractive to new business and creating jobs in the process.

I urge my colleagues to oppose this amendment. EDA funds help in West Virginia, but they help in other States as well. Let me just cite a few EDA successes elsewhere in the country:

In the past year in Philadelphia, EDA funds were used to rehab an older building, and then to create a revolving loan fund, which generated thousands of new jobs through business expansion;

In Chicago, EDA funds improved an obsolete infrastructure in Crawford Industrial District allowing them to retain 85 industrial firms, generate \$40 million in new investments, and to retain 3,780 jobs.

In North Carolina, EDA funds were used last year to build a water system and industrial access roads creating 3,300 jobs—a new job for every \$500 invested.

So you see, EDA funds are not just vital to West Virginia, but to the entire Nation, and these are just a very few examples of what EDA grants can do, if we leave them in this bill.

We are no longer under the Reagan administration who tried to repeal EDA for 8 long years.

We are no longer under the Bush administration, who tried to repeal EDA for 4 short years.

This is the Clinton administration, and he wants and needs to help displaced military personnel by using EDA as one of the Federal entities necessary to bring about defense conversion efforts.

EDA helps expand business and create jobs. We must create jobs for the hundreds of thousands of displaced military and civilian technicians who will be out of work as a result of base closings.

We need to expand business and create jobs for all other unemployed Americans who have been out of the job loop for too long.

Fund the Economic Development Administration now.

Defeat this amendment.

Mr. SMITH of Iowa. Mr. Chairman, I yield the balance of my time to the gentleman from West Virginia [Mr. MOLLOHAN].

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

Mr. Chairman, I rise in strong opposition to the Hefley amendment, which by deleting funds for the salaries and expenses would seal the fate of the EDA. I can assure you that I will fight throughout the remainder of this process to ensure that EDA funding is maintained.

How can we even consider abolishing the EDA, which serves as the central agency for technical and financial assistance to economically distressed areas. There is no other Federal agency with the flexibility to address the range of immediate to long-term economic problems, and the EDA does not promote top-down solutions. Rather it supports a grassroots network to focus on locally developed strategies and solutions. EDA offers comprehensive services—from planning grants and research activities, to technical assistance support, to public works project funding, to sudden and severe economic dislocation assistance. The EDA is in fact a one-stop shop for economic assistance.

I find it incredible that today, in this time of systemic economic transition for our Nation, we are debating an amendment to gut the funds for a program that offers successful solutions.

West Virginia felt the effects of economic dislocation over a decade ago. And the EDA has been a critical resource in our fight to turn the economy around. For example, in Barbour County, the EDA helped renovate a building that was headed for demolition. Today, 60 people are employed in that building—that is 60 jobs in an area where 60 jobs makes a difference. In Ohio County, the EDA helped create the Wheeling Oglebay Park Artisan Center where today 83 people sell West Virginia-produced glass. These exam-

ples only scratch the surface of the invaluable assistance that EDA has provided to my State.

To those of my colleagues familiar with EDA's work, I need only remind you of its importance. And to those of you unfamiliar with EDA, I would offer that as our economy continues to transition—and dislocation continues to be the unfortunate side effect—you, too, will depend on the Economic Development Administration.

Help your communities help themselves by continuing our commitment to EDA oppose the Hefley amendment.

Mr. MINETA. Mr. Chairman, I rise in opposition to the amendment that would delete funds for salaries and expenses of the Economic Development Administration.

The Economic Development Administration is recognized by many economic development practitioners, by State and local leaders and by many others at the grassroots, as having the most effective Federal program for economic development—a program that gets funds to the communities that need them.

Critics like to point out that 80 or 90 percent of the Nation's population live in areas eligible for the agency's assistance. However, they ignore the fact that EDA generally targets program funds to areas of high economic distress based on criteria such as excessively high unemployment rates and per capita income below the national average or that are experiencing long-term or sudden and severe job loss.

In the area of defense adjustment, EDA has for years played a key role in providing special economic development and adjustment assistance. Agency programs have helped many communities facing military base closures or major defense industry cutbacks plan strategies. In addition, these programs support major infrastructure investments for reusing bases and making the transition to a civilian-based economy. In recent years, \$130 million in defense appropriations has been transferred to EDA for this activity. Secretary of Commerce Ronald Brown has stated that EDA is to be on the leading edge of further conversion activity.

EDA provides essential tools to urban and rural areas to help them make better use of their resources. Diversify their economic base and attract businesses that can retain and create long-term jobs and broaden an area's tax base.

The assistance provided helps to cure some of the economic ills and imbalances that exist among our States, communities, and regions. It bolsters the capacity of local areas, and the Nation as a whole, to meet the challenges of competition in global markets.

EDA's public works grants have been crucial for rehabilitating, repairing or constructing infrastructure that is the foundation for economic development and essential for the growth of industry and commerce.

Its planning grants have enabled distressed communities evaluate their economic potential and conceive strategies for long-term solutions. The research and technical assistance have resulted in many creative initiatives at the local and regional levels.

Mr. Chairman, for close to 28 years, the Economic Development Administration has of-

fered vital resources to support and encourage local efforts to enhance economic growth.

Testimony of witnesses has consistently revealed that many of the benefits realized would not have otherwise been possible were it not for the programs of the Economic Development Administration.

Mr. Chairman, this is not the time to eliminate one of the best Federal programs available to help deal with the substantial economic problems facing our Nation.

I urge my colleagues to vote against the amendment to strike funds for the Economic Development Administration.

Mr. HAMBURG. Mr. Chairman, I rise in strong opposition to the Hefley amendment, which will strike funding for salaries and expenses at the Economic Development Administration.

The EDA is particularly important today as we struggle to adjust to profound changes in two major sectors of our economy: Our rural, resource-based economy, and our military economy. As such, EDA is particularly important to my largely rural district, where unemployment is currently as high as 14.5 percent.

Rather than talking about abstractions like agencies and dollar amounts, I want to focus for a moment on communities and people—the focus of the Economic Development Administration.

Point Arena is a town of roughly 400 people on the northern coast of California in my district. It is a community which depends on fishing and tourism and symbolizes the pioneer spirit in America. I would like to read from a letter sent to me earlier this year by Bill Pettigrew, harbor master of Point Arena. He wrote:

In January of 1983, an "El Nino"-generated storm sent waves into Arena Cove of such height that the pier at Arena Cove was totally destroyed. The result was the loss of a vibrant Salmon fishing port that had received up to 100,000 pounds of product a day. Stores in town failed and were boarded up. The timber industry was starting to downsize at the same time and Point Arena became a severely depressed economic area.

The City of Point Arena joined forces with five different federal and state agencies in 1985 to rebuild the pier. With a two and a half million dollar investment, the pier re-opened in April 1987. The Economic Development Administration (EDA) was the single largest grantor with a commitment of \$875,000.

Following the "Grand Opening" in 1987, the once seasonal port has operated 'year-round,' creating many new jobs both in the Cove proper and downtown. Support facilities, stores, restaurants and private development have flourished. The fiscal year 1989-1990 saw Arena Cove become the nation's second largest port for receiving sea urchins with a total poundage exceeding 8.2 million pounds across the dock, 98% of this a United States export commodity going to Japan.

Mr. Pettigrew recently confided to me that, Without the EDA, Point Arena would not exist today. We could never have coordinated the various agencies or achieved the level of funding necessary without the EDA's assistance. They are professionals and good public servants.

EDA is not a pork-barrel agency doling out moneys to congressional districts. The regional economic development representative of the EDA helped Point Arena navigate the murky

waters of conflicting bureaucracies. They ensure that planning grants, technical assistance, and economic adjustment programs, delivered maximum benefits to the community.

The example I cited from my district represents the everyday efforts of the EDA. It was nothing out of the ordinary.

EDA is also playing an increasingly vital role in defense conversion. The probable imminent closure of Mare Island Naval Shipyard has made me keenly aware of the desperate need of affected communities for the promise represented by the EDA. Now, before base closure, EDA planning grants can help the small cities of Fairfield, Napa, and Vacaville, plan for the conversion necessary to keep shipyard employees working in new jobs as the area's economy changes.

The end of the cold war demands fundamental conversion of our defense-based economy. EDA has 30 years of experience in helping communities transform their distressed economies. We cannot afford to give up such critical expertise at this juncture.

I urge my colleagues to defeat the Hefley amendment. It is shortsighted and fails to recognize the importance of this agency.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. HEFLEY].

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 122, noes 300, not voting 17, as follows:

[Roll No. 340]
AYES—122

Allard	Gingrich	Miller (FL)
Archer	Goodlatte	Moorhead
Arney	Goss	Myers
Bachus (AL)	Grams	Myers
Baker (CA)	Greenwood	Nussle
Balleger	Gunderson	Orton
Barrett (NE)	Hall (TX)	Oxley
Bartlett	Hancock	Paxon
Barton	Hansen	Penny
Bateman	Hastert	Petri
Bereuter	Hefley	Porter
Bilirakis	Hobson	Portman
Billey	Hoke	Pryce (OH)
Boehner	Huffington	Regula
Bonilla	Hunter	Roberts
Bunning	Hyde	Rohrabacher
Burton	Inhofe	Roukema
Callahan	Istook	Royce
Calvert	Johnson (CT)	Santorum
Castle	Johnson, Sam	Schaefer
Coble	Kasich	Sensenbrenner
Collins (GA)	Kim	Skeen
Combest	King	Slattery
Cox	Klug	Smith (MI)
Crane	Knollenberg	Smith (OR)
Crapo	Kolbe	Smith (TX)
Cunningham	Kyl	Solomon
DeLay	Lazio	Stenholm
Dickey	Leach	Stump
Doolittle	Levy	Talent
Dreier	Lewis (FL)	Taylor (MS)
Duncan	Linder	Taylor (NC)
Dunn	Livingston	Thomas (WY)
Everett	Manzullo	Vucanovich
Ewing	McCandless	Walker
Fawell	McCollum	Weldon
Fields (TX)	McHugh	Young (AK)
Fowler	McInnis	Young (FL)
Galleghy	McKeon	Zeliff
Gekas	McMillan	Zimmer
Gillmor	Meyers	

NOES—300

Abercrombie	Geren	Murphy
Ackerman	Gibbons	Murtha
Andrews (ME)	Gilchrest	Nadler
Andrews (NJ)	Gilman	Natcher
Andrews (TX)	Glickman	Neal (MA)
Applegate	Gonzalez	Neal (NC)
Bacchus (FL)	Goodling	Norton (DC)
Baessler	Gordon	Oberstar
Barca	Grandy	Obey
Barcia	Green	Olver
Barlow	Gutierrez	Ortiz
Barrett (WI)	Hall (OH)	Owens
Becerra	Hamilton	Pallone
Bellenson	Harman	Parker
Bentley	Hastings	Pastor
Berman	Hayes	Payne (NJ)
Bilbray	Hefner	Payne (VA)
Bishop	Heger	Pelosi
Blackwell	Hilliard	Peterson (FL)
Blute	Hoagland	Peterson (MN)
Boehert	Hochbrueckner	Pickett
Bonior	Hoekstra	Pickle
Borski	Holden	Pombo
Boucher	Houghton	Pomeroy
Brewster	Hoyer	Poshard
Brooks	Hughes	Price (NC)
Browder	Hutchinson	Quillen
Brown (CA)	Hutto	Quinn
Brown (FL)	Inglis	Rahall
Brown (OH)	Inslee	Rangel
Bryant	Jacobs	Ravenel
Buyer	Jefferson	Reed
Byrne	Johnson (GA)	Reynolds
Camp	Johnson (SD)	Richardson
Canady	Johnson, E.B.	Ridge
Cantwell	Johnson	Roemer
Cardin	Kanjorski	Rogers
Carr	Kaptur	Romero-Barcelo
Chapman	Kennedy	(PR)
Clay	Kennelly	Ros-Lehtinen
Clayton	Kildee	Rose
Clement	Kingston	Roth
Clinger	Klecicka	Rowland
Clyburn	Klein	Roybal-Allard
Coleman	Klink	Rush
Collins (IL)	Kopetski	Sabo
Collins (MI)	Kreidler	Sanders
Condit	LaFalce	Sangmeister
Cooper	Lambert	Sarpallus
Coppersmith	Lancaster	Sawyer
Costello	Lantos	Saxton
Coyne	LaRocco	Schenk
Cramer	Laughlin	Schiff
Danner	Lehman	Schroeder
Darden	Levin	Schumer
de la Garza	Lewis (CA)	Scott
de Lugo (VI)	Lewis (GA)	Serrano
Deal	Lightfoot	Sharp
DeFazio	Lipinski	Shaw
DeLauro	Lloyd	Shays
Dellums	Long	Shepherd
Derrick	Lowe	Shuster
Deutsch	Machtley	Sisisky
Diaz-Balart	Maloney	Skaggs
Dicks	Mantone	Skelton
Dingell	Margolies-	Slaughter
Dixon	Mezvinsky	Smith (IA)
Dooley	Markey	Smith (NJ)
Durbin	Martinez	Snowe
Edwards (CA)	Matsui	Spence
Edwards (TX)	Mazzoli	Spratt
Emerson	McCloskey	Stark
Engel	McCrery	Stearns
English (AZ)	McCurdy	Stokes
English (OK)	McDade	Strickland
Eshoo	McDermott	Studds
Evans	McHale	Stupak
Farr	McKinney	Sundquist
Fazio	McNulty	Swett
Fields (LA)	Meehan	Swift
Flner	Meek	Synar
Fingerhut	Menendez	Tanner
Fish	Mfume	Tauzin
Flake	Mica	Tejeda
Foglietta	Michel	Thomas (CA)
Ford (MI)	Miller (CA)	Thompson
Ford (TN)	Mineta	Thornton
Frank (MA)	Minge	Thurman
Franks (CT)	Mink	Torkildsen
Franks (NJ)	Molinari	Torres
Furse	Mollohan	Torricelli
Gallo	Montgomery	Towns
Gejdenson	Moran	Trafficant
Gephardt	Morella	Unsoeld

Upton	Waters	Wise
Velazquez	Watt	Wolf
Vento	Waxman	Woolsey
Visclosky	Wheat	Wyden
Volkmer	Whitten	Wynn
Walsh	Williams	Yates
Washington	Wilson	

NOT VOTING—17

Baker (LA)	Frost	Moakley
Bevill	Hamburg	Packard
Conyers	Henry	Rostenkowski
Dornan	Hinchee	Tucker
Faleomavaega (AS)	Horn	Underwood (GU)
	Mann	Valentine

□ 1357

The Clerk announced the following pair:

On this vote:

Mr. Dornan for, with Mr. Tucker against.

Ms. MARGOLIES-MEZVINSKY and Messrs. INGLIS of South Carolina, DEUTSCH, and RAVENEL changed their vote from "aye" to "no."

Messrs. HALL of Texas, MCCOLLUM, and MCHUGH changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. HORN. Mr. Chairman, I was unavoidably detained and missed the last vote on the Hefley amendment. I would like to note that if I were present, I would have voted against it.

AMENDMENT OFFERED BY MR. OBERSTAR

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

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: Page 59, after line 8, insert the following:

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the United States Travel and Tourism Administration, \$22,000,000.

The CHAIRMAN. The gentleman from Minnesota [Mr. OBERSTAR] is recognized for 5 minutes in support of his amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I wonder if we could get some agreement on time for this amendment.

Mr. OBERSTAR. Mr. Chairman, I would say that no more than 20 minutes would be sufficient.

Mr. SMITH of Iowa. Twenty minutes, ten minutes on each side?

Mr. OBERSTAR. Yes. We probably will not use all that time.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, I would hope that there could be some time allotted to this side of the aisle on the question as we talk about limiting time. Would the gentleman be amenable to allocating a third of the time, whatever time is agreed to, to this side of the aisle?

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the time

on this amendment be limited to 30 minutes, 10 minutes to the gentleman from Kentucky [Mr. ROGERS], 10 minutes to myself, and 10 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The time will be limited to 30 minutes on this amendment and all amendments thereto, the time to be divided, 10 minutes apiece, among the chairman of the subcommittee, the ranking minority member, and the gentleman from Minnesota [Mr. OBERSTAR].

The Chair recognizes the gentleman from Minnesota [Mr. OBERSTAR].

□ 1400

Mr. OBERSTAR. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, this amendment restores to the Travel and Tourism Administration funding that was eliminated in the markup of the bill Not because the chairman is not in accord with the views, with the issues, the U.S. Travel and Tourism Administration, but because there was so much pressure under the limited allocation his subcommittee had and the subcommittee was under extreme pressure to find reductions in all of its programs.

But since the bill has been on the floor, there have been a number of reductions in the overall programs under the jurisdiction of the subcommittee, and there is certainly room to restore the funding level for the U.S. Travel and Tourism Administration. This amendment will restore the funding to \$500,000 below the authorized amount, \$22 million. The authorization is at \$22.5 million.

The travel program, tourism, is such an important generator of business for America and income to this country. Last year we had 44-plus million visitors to the United States from other countries. They spent well over \$50 billion in the United States. That generated a balance of payments surplus of \$16.5 billion in our favor. We did not have to send anybody overseas. We did not have to package anything except to market the idea among people of other countries to come visit America. They came, and we benefited by a \$16.5 billion trade surplus.

Mr. Chairman, there are not very many sectors where we have that kind of balance of payments benefit. Usually we are in deficit. It certainly makes good sense to make this modest investment in encouraging people of other countries to come to the United States and spend their currency, their dollars, whatever their currency happens to be in our dollar terms, in this country.

Mr. Chairman, we ought to preserve the U.S. Travel and Tourism Adminis-

tration's ability to market America overseas, to attract people to this country. Tourism is clean, it is efficient, and it employs people to the tune of \$90 billion in national payroll in this country. It virtually affects every community, small or large. It is a vital sector of our national economy. Tourism overall is a \$320 billion sector of our national GDP. Most countries spend tenfold more than we do on tourism promotion. This is a modest investment in the future of American growth.

Mr. SMITH of Iowa. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, I would suggest to my very good friend from Minnesota [Mr. OBERSTAR] and to my colleagues and friends that will speak on behalf of this amendment that their allegiance to the tourism industry is misguided in this particular amendment, and remind them of the context of this bill.

Mr. Chairman, do you know in this bill we are cutting back on Drug Enforcement Administration agents? We are cutting back on FBI agents. Virtually every important priority that is included in this bill is being cut back. And what are we trying to do? Add money to the Travel and Tourism Administration.

Mr. Chairman, this is a subsidy to the major airlines and hotel chains. There is no evidence that this kind of federal expenditure is going to generate any more tourists. The thing that generates tourists from foreign countries into this country is the exchange rate between the U.S. dollar and foreign currencies and the promotions that are put on by the major airlines and by the hotel chains.

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

Mr. MORAN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, if the gentleman's argument is right, then why does the Province of Ontario spend \$36 million a year every year to attract Americans into Ontario? If you stop advertising, they stop coming. It is a sector that yields the revenue needed to generate the support for the other programs the gentleman is advocating.

Mr. MORAN. Mr. Chairman, reclaiming my time, I would not suggest to the gentleman reasons why Ontario does whatever it does. The Canadian Government I do not think is necessarily a standard setter for frugality in many ways. But why people visit Ontario I suspect is because of the natural resources that are in the Province of Ontario, rather than any particular promotional program they might have.

Mr. Chairman, we are talking about a very, very strict budget that has been applied to every program within this appropriations bill. Here we are subsidi-

dizing industries that clearly do not need it and cannot compete with the kinds of priorities that are included in the rest of this bill.

Mr. Chairman, I represent an area that benefits a great deal from tourism. But I also know that it is not going to benefit from tourism unless they have the hotels and motels, the restaurants, all the kinds of infrastructure, if you will, that accommodate new tourists.

What we are doing with this new program, because of the authorization that requires it to go into this cooperative marketing program, is we are trying to attract people to areas that do not have the hotels, that do not have the tourist accommodations to maximize the opportunity that tourism in those areas might provide. That is one of the reasons why we did not want to put so much money into this program so fast.

Mr. Chairman, to suggest that \$22 million in travel and tourism to subsidize the large airlines and the hotel chains is more important than spending that \$22 million on Border Patrol officers, on FBI agents, or on drug enforcement agents, seems to me is misplaced priorities.

Mr. Chairman, I do not want to argue with the judgment of my good friend, the gentleman from Minnesota [Mr. OBERSTAR], and I respect it a good deal. But within the context of this bill, if the gentleman would look at the rest of this bill, I think he would recognize that the subcommittee's priorities are in order and that we cannot afford this additional amount of money to go into USTTA.

Mr. ROGERS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, let me say at the outset that I support the work of the USTTA. I support the U.S. Travel Tourist Administration. But let me explain why this amendment should not pass today.

As the gentleman from Virginia [Mr. MORAN] has said, our subcommittee only has 96 percent of the current services to spread for next year's spending amongst all the agencies that we have to deal with, including USTTA.

What we did was basically go to all agencies and say, "We are going to give you 95 percent of what you got last year for next year." We treated USTTA just like most all of the others. Only two or three agencies, as I recollect, got more than 95 percent.

□ 1410

So we gave 95 percent of their current services to USTTA, because the work they do is good for all of the States of the Union, not just two or three; all of them.

The Committee on Energy and Commerce, the authorizing committee, comes along and says, Mr. Chairman, "Appropriators, you cannot appropriate any money for the USTTA at all

unless you include this new program that we want called the Cooperative Tourism Marketing Program, which will help two or three States on the Canadian border."

They said, "You can't appropriate, Congress, you can't appropriate any money at all for the whole United States' effort to promote tourism unless you say we can spend this money for our two or three States."

We said, no. We are going to give USTTA the same amount of money we are giving the other people in the Government, 95 percent of current services, just like everybody else. We do not have the money for a new program. It is just not there.

We are having to say no, no, no, no all across-the-board. USTTA is no different.

This amendment should add back to the bill, Mr. Chairman, after it was stricken on a point of order a couple of weeks ago. Now they come back and say, "We not only want 95 percent of the current services for next year. We want 41 percent more than 1993.

We put in the bill originally, \$17,120,000. That was stricken. Now they come back and want \$22 million, Mr. Chairman, for a new program.

How many new programs is this Congress going to be able to afford this year on any kind of initiative, especially a program that benefits just three or four States of the Union.

Mr. Chairman, I oppose this amendment. I urge all Members to vote against it.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL], chairman of the Committee on Energy and Commerce.

Mr. DINGELL. Mr. Chairman, the fact that the Committee on Appropriations has sought to legislate here in violation of House rules tends to show the unwisdom of that practice on the part of that great committee. They say this is a new program. It is not a new program. It is 25 years old.

The hard fact is that what the Committee on Energy and Commerce and the House of Representatives did last year was to say to it that 25 percent of the money was going to go to the States for purposes of funding tourism promotions by the States and through the States. That is why.

What the issue here is, is the Committee on Appropriations going to change the program on which the Congress voted overwhelmingly to change an unworkable program into one which now works?

The Committee on Appropriations intends and tries here to continue the old unworkable ways where we have a bunch of bureaucrats sitting around in offices around the world doing nothing. What we need to do is, if we are going to have tourism in this country, is to have an aggressive program of promot-

ing and bringing forward tourists to come to the United States.

What my good friend from Iowa would do is to legislate. What we are seeking to do is simply have the law as it now is applied, without changes by our dear friends on the Committee on Appropriations.

The hard fact is, there are no fiscal issues raised by the amendment. It is well within the authorization level. It is also within the budget allocation levels.

It is supported by the agency itself, by OMB and by Members on both sides of the aisle.

I have here a letter signed by Leon Panetta which says,

The administration supports the provision enacted in the Tourism Policy and Export Promotion Act of 1992 requiring that no less than 25 percent of funds appropriated to USTTA be allocated to Cooperative Tourism Marketing Program grants and believes the Oberstar amendment is necessary to carry out that provision. Accordingly, the administration has no objection to the Oberstar amendment.

I urge my colleagues to reject this attempt by the Committee on Appropriations to legislate and get on with the program which was overwhelmingly supported by the House and by the Senate.

Mr. ROGERS. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I have listened to the debate on this particular amendment. I must say, I am persuaded by the proponents of the amendment.

I listened very carefully to the author of the amendment, our friend from Minnesota, and I agree that this is a wise investment.

When we read the amendment and we see what it does, we see that it is really going to provide jobs in the area of tourism.

Now, tourism is the second largest job producer in just about every State in the Union. What this bill will do will be to match funds with State and local tourism agencies.

I have looked at what goes on in this area, and I find that foreign visitors last year spent \$16 billion in this country, \$16 billion. So we really have a trade surplus in this area.

Why is that? Because if we have tourists coming here and buying something, it is like shipping it overseas. That is why we have this huge surplus.

Every single State is going to benefit economically by this amendment. America is a big country, and people overseas want to come and visit America. But they do not know much about various sectors of America, because they are always zeroed in on two or three areas.

What this bill is going to do, it is going to explain what America is like, all of America, not just one or two or three areas.

We had 44 million visitors here in America last year from overseas, spending some \$71 billion. And some \$16 billion, as I mentioned before, more in this country than we spent overseas. That is why we have a \$16 billion surplus in this area.

This money will go to create jobs in a sector where jobs really are needed, the service sector.

As far as who is going to benefit, we know no States will benefit more than the State of Iowa and Kentucky. I mean, people are going to be reading about Kentucky.

People overseas want to know about the Kentucky Derby and what goes in Kentucky. People overseas want to know what goes on in rural America. That is where Iowa is at the head of the list. Look what is going on along the Mississippi now.

I think we want foreign visitors to come to that area. This is precisely what this amendment is going to do.

It is hard to persuade me to vote on some of these amendments, but this particular amendment is really a good investment. This is a jobs amendment. That is why I think this is a good amendment and one that I hope that the Congress and the Members here will give real consideration to and vote for.

Mr. OBERSTAR. Mr. Chairman, I yield 1 minute to the gentleman from Nevada [Mr. BILBRAY].

Mr. BILBRAY. Mr. Chairman, as chairman of the Subcommittee on Procurement, Taxation and Tourism of the Committee on Small Business, we had a hearing yesterday in Alexandria, LA. Let me tell the gentleman from Alexandria, VA, that that little town has hotels and has tourist accommodations, but they need help in rural America.

I come from a large urban center in Las Vegas, NV. We get our message out very loud and clear. But little rural America needs help. They need people to help them to promote their message in their areas.

The program that has been expounded by the chairman of the Committee on Energy and Commerce is very, very important, because it gives help from USTTA, funds to match their funds to promote rural America.

When a foreign tourist comes to this country, he spends 6 times what an American tourist does in going to those communities. It is not rechanneling American dollars. It is rechanneling money from Europe into our economy. We have a great balance of surplus on tourism.

We have got to promote that. I am standing, telling the Members now, if we spend \$3 million more we will bring in tens of millions of dollars to our economy from this tourism being spent here.

I will tell the Members, people out there are asking for help from rural

America. They want this program. They need this program. They need the Members' help. Believe me, this Congress should not be penny-wise and pound-foolish, because let me tell the Members, we need this program. I commend the gentleman from Minnesota [Mr. OBERSTAR] for proposing it. We need it for USTTA, we need it for rural America, we need it for America as a whole to create jobs and get this country moving again.

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

Mr. Chairman, as I have said before, this is new money. We gave USTTA 95 percent of current services in our bill. Then it was stricken on a point of order. Now they come back wanting \$22 million, which is a 41 percent increase over what we gave them. We simply do not have the money.

Bear this in mind, if we vote for this amendment we are giving money to the Tourist and Travel Administration that we are taking away from the FBI, the DEA, modernization of the Weather Service, that we could not afford; the Immigration and Naturalization Service, and the Border Patrol and the protection of our borders. That is where the money is coming from, if the Members approve this increase, this new money for a new program for the U.S. Travel and Tourist Administration. Bear in mind, the money has to come from someplace in the bill. It is coming from the places where it should not come, and that is the law enforcement agencies of our country.

Mr. Chairman, I urge Members to vote "no" on this amendment. I have no further requests for time, and I yield back the balance of my time.

Mr. OBERSTAR. Mr. Chairman, I would ask how much time remains.

The CHAIRMAN. The gentleman has 3½ minutes remaining.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, let us bring a sense of reality back here. We are not going to have just a cutback in some of these other agencies. We are having cutbacks all over in education and health care. If we want to attack those issues, let us attack those issues. However, if we want to generate the taxes that help us pay for all of these in the first place, whether it is FBI agents, drug agents, or travel agents, then we have to have the jobs generated to generate the taxes that give us the revenue to enable us to do this.

One of the whole ideas of job stimulation has been to make an investment. If we cannot do that with Federal dollars, what are we here for? The State of Hawaii alone spends more than \$22 million on its travel and promotion program, in addition to everything that we do with hotels and with airlines and with other travel agencies and instrumentalities, we spend more, alone.

What we are asking for from the entire country is a mere \$22 million to invest in all the rest. Hawaii is not hurting in that respect in terms of promotion. Las Vegas is not hurting in respect of promotion. On the contrary, we stand here telling the Members, the gentleman from Nevada [Mr. BILBRAY] and the gentleman from Hawaii, saying, "We know how to promote tourism. That promotes jobs, that promotes tax revenues." What we want to do is help share this with the rest of the Nation, so all of the other States, rural and urban areas alike, benefit from it.

We want to go to the context of this in terms of promotion because that is what is going to help generate it in every State, in all the 50 States, every-one benefits. Tourism is the No. 1 industry in 13 States. It is one, two, or three in 37 States out of the 50 States in America.

I urge all of us to pass favorably on this amendment so all Americans can benefit. This is an investment in America. Vote "aye."

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

Mr. Chairman, we have no further speakers, but before yielding back our time, I just want to clarify an inadvertent mistaken impression that may have been created. This program is indeed authorized. The Office of Management and Budget indicates clearly, as the gentleman from Michigan [Mr. DINGELL] said, that the administration believes the Oberstar amendment is necessary to carry out the Cooperative Tourism Marketing Program, and has no objection to the amendment.

That is rare, to get that kind of support from the Office of Management and Budget, and it indicates this program is important. I think the President clearly understands the significance of tourism. He supported tourism as the Governor of Arkansas, and he supports it very strongly as President of the United States.

The evidence is replete that until we had a really aggressive USTTA program, we did not break the sound barrier on balance of payments. We have done so, and the Cooperative Marketing Program will carry us further. Every other country in the world markets its values abroad. This is not like "Field of Dreams," "Build it and they will come." We have built America. We have to tell people about America and what they need to see here, so we can generate that positive balance of payments, \$16-plus million last year.

Vote for this amendment. Vote to sustain America's momentum in travel and tourism.

The CHAIRMAN. The gentleman from Iowa [Mr. SMITH] has 6 minutes remaining.

Mr. SMITH of Iowa. Mr. Chairman, I yield myself the remainder of my time.

The gentleman from Hawaii [Mr. ABERCROMBIE] has made the argument better than I could. Hawaii alone spends \$22 million or more per year on tourism. Yet, the Energy and Commerce Committee, when they reauthorized this program last year, added \$5 million for competitive grants to the States. Why do we need \$5 million for 50 States if one State spends more than \$22 million? That shows how insignificant this whole program is.

Some years ago the Secretary of Commerce was a fellow by the name of C.R. Smith who had been President of American Airlines. We asked him at the time he left office, we said to him, "What do you want to tell us about the Travel Service?" He said, "I will tell you this," and we were spending only a few million at that time, he said, "either spend \$100 million or stop the program. You are not doing any good with a trivial amount of a few million." That was more than 15 years ago. Now we are talking about \$17 million or \$15 million or \$22 million for the USTTA.

This committee visited Denmark a few years ago. They had a great travel promotion program over there, they said. We found out what happened. Almost all of the airline tickets to the United States had been sold in a 30-day period when the hotels and airlines had a special.

What we have here is this. Last year when the Energy and Commerce Committee authorized this program again, a new provision was added. Instead of just being a legislative provision, they in affect included an appropriation in their authorizing bill. They said, "You have to spend 25 percent of this money for this new program." This had the effect of appropriating on a legislative bill, 25 percent of the money.

To get the 25 percent, what do we have to do? We increase the amount of money they got from \$15.6 million last year up to \$22 million, to pay for this new program, so more Governors can get on nationwide TV through their favorite advertising agency, advertising themselves, and the mountains in the background, or whatever it may be. This is a new program that they have added to this agency. They in effect appropriated the money right up front in the authorizing legislation to take care of it.

The gentleman's amendment would provide a 41 percent increase over last year's level. We do not have any 41 percent increase in this bill for other programs. It does not come out of thin air. We have to get the money someplace. Where do we get the money? Here are some of the things Members wrote to us that they wanted, that were not in the budget. We tried to squeeze a little here and there and put these funds in. Here are some of these programs:

The non-point pollution program, we had a whole raft of letters on that; Aquaculture;

Marine sanctuaries. Do the Members want to take some more money out of marine sanctuaries? We will have to take it out of somewhere if we add 41 percent for this agency.

Fisheries research? I will tell the Members, there are five salmon commissions. I did not know before I came to Congress that there was more than one kind of salmon. There are several kinds of salmon.

We have salmon commissions and other kinds of commissions. Everybody wants some of this money.

Zebra mussels? We do not have enough money in here for zebra mussel research, I will say that up front, even though we increased the amount of money requested by the administration. Zebra mussels are a serious problem.

Do we want to take the money out of the Sea Grant Program? The Sea Grant Program is a great favorite among many Members. We have a list this long of Members and States wanting a Sea Grant Program increase.

□ 1430

We could take these funds out of the Sea Grant Program if you want to. This funding does not come out of thin air.

So what we have here is a 41-percent increase being requested for one program that is dubious as to whether it works or not. But even if it does, we would not want a 41-percent increase in this program.

I say vote "no" on the Oberstar amendment.

Mr. CLEMENT. Mr. Chairman, I rise in strong support of the amendment offered by my distinguished colleague, Mr. OBERSTAR, to fund the U.S. Travel and Tourism Administration at \$22 million next year. I also comment Mr. ROTH for his commitment to this issue.

Visitors love the United States and they show it by coming in ever greater numbers. Moreover Mr. Chairman, visitors show it in the dollars they spend, the sales tax they pay, and the jobs their visits provide.

Tourism is an important industry in this country. Last year it brought in \$16 billion more in revenue to the United States than U.S. citizens spend abroad. In 1990, 1.3 billion tourists spend \$295 billion in cities and towns across this country.

The Federal agency primarily responsible for assisting the American tourism industry is the Travel and Tourism Administration. This agency works with the Secretary of Commerce in formulating policies to assist the tourism industry in this country be the winner it is today.

And more importantly, that success translates into 6 million American jobs which are directly tied to the tourism industry.

Some might say that this \$22 million is wasteful spending. On the contrary, we cannot afford not to spend this money. Tourism has a substantial, measurable, and sustainable impact on our economy. If this amendment does not pass, we will be pulling the rug from under the feet of an industry that depends greatly on the resources and assistance provided by the Travel and Tourism Administration.

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

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR].

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

RECORDED VOTE

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

A recorded vote was ordered. The vote was taken by electronic device, and there were—ayes 158, noes 263, not voting 18, as follows:

[Roll No. 341]

AYES—158

- | | | |
|--------------|---------------|----------------|
| Abercrombie | Gekas | Payne (VA) |
| Ackerman | Gilman | Pelosi |
| Applegate | Green | Peterson (MN) |
| Bacchus (FL) | Hall (OH) | Rahall |
| Baker (LA) | Hall (TX) | Rangel |
| Barcia | Hastings | Ravenel |
| Bateman | Hayes | Reynolds |
| Becerra | Hilliard | Richardson |
| Bilbray | Hochbrueckner | Romero-Barcelo |
| Bishop | Houghton | (PR) |
| Blackwell | Jefferson | Roth |
| Blute | Johnson (SD) | Roybal-Allard |
| Boehlert | Johnson, E.B. | Rush |
| Borski | Johnston | Sabo |
| Boucher | Kennedy | Sanders |
| Brewster | Kildee | Sangmeister |
| Browder | Klink | Sawyer |
| Brown (OH) | Kopetski | Schenk |
| Bryant | Kreidler | Schumer |
| Clement | LaFalce | Scott |
| Clinger | Lambert | Serrano |
| Clyburn | Lancaster | Shepherd |
| Collins (IL) | LaRocco | Shuster |
| Collins (MI) | Lehman | Skelton |
| Cooper | Lewis (CA) | Slaughter |
| Coppersmith | Lewis (GA) | Snowe |
| Costello | Lipinski | Spence |
| Coyne | Livingston | Spratt |
| Cramer | Lloyd | Stearns |
| Danner | Maloney | Strickland |
| de la Garza | Manton | Studds |
| Deal | Margolies- | Stupak |
| Dellums | Mezvinsky | Sweet |
| Deutsch | Markey | Swift |
| Dingell | Martinez | Synar |
| Dixon | McCloskey | Thomas (WY) |
| Edwards (TX) | McCollum | Thompson |
| Engel | McCrery | Torkildsen |
| English (OK) | McKinney | Torres |
| Eshoo | McNulty | Towns |
| Evans | Meehan | Trafficant |
| Faleomavaega | Meek | Upton |
| (AS) | Meyers | Velazquez |
| Farr | Mineta | Vento |
| Fields (LA) | Mink | Vucanovich |
| Filner | Moorhead | Washington |
| Fingerhut | Murphy | Waters |
| Flake | Nadler | Wheat |
| Foglietta | Neal (MA) | Williams |
| Ford (MI) | Norton (DC) | Wise |
| Ford (TN) | Oberstar | Woolsey |
| Frank (MA) | Olver | Wynn |
| Furse | Owens | Zeliff |
| Gejdenson | Pallone | |

NOES—263

- | | | |
|--------------|--------------|------------|
| Allard | Barrett (WI) | Brown (CA) |
| Andrews (ME) | Bartlett | Bunning |
| Andrews (NJ) | Barton | Burton |
| Andrews (TX) | Bellenson | Buyer |
| Archer | Bentley | Byrne |
| Armey | Bereuter | Callahan |
| Bachus (AL) | Berman | Calvert |
| Baesler | Bevill | Camp |
| Baker (CA) | Billirakis | Canady |
| Ballenger | Billie | Cantwell |
| Barca | Boehner | Cardin |
| Barlow | Bonilla | Carr |
| Barrett (NE) | Brooks | Castle |

- | | | |
|--------------|---------------|---------------|
| Chapman | Hyde | Pickle |
| Clay | Inglis | Pombo |
| Clayton | Inhofe | Pomeroy |
| Coble | Insee | Porter |
| Coleman | Istook | Portman |
| Collins (GA) | Jacobs | Poshard |
| Combest | Johnson (CT) | Price (NC) |
| Condit | Johnson (GA) | Pryce (OH) |
| Cox | Johnson, Sam | Quillen |
| Crane | Kanjorski | Quinn |
| Crapo | Kaptur | Ramstad |
| Cunningham | Kasich | Reed |
| Darden | Kennelly | Regula |
| DeFazio | Kim | Ridge |
| DeLauro | King | Roberts |
| DeLay | Kingston | Roemer |
| Derrick | Klecza | Rogers |
| Diaz-Balart | Klein | Rohrabacher |
| Dickey | Klug | Ros-Lehtinen |
| Dicks | Knollenberg | Rose |
| Dooley | Kolbe | Rostenkowski |
| Doolittle | Kyl | Roukema |
| Dreier | Lantos | Rowland |
| Duncan | Laughlin | Royce |
| Dunn | Lazio | Santorum |
| Durbin | Leach | Sarpalius |
| Emerson | Levin | Saxton |
| English (AZ) | Levy | Schaefer |
| Everett | Lewis (FL) | Schiff |
| Ewing | Lightfoot | Schroeder |
| Fawell | Linder | Sensenbrenner |
| Fazio | Long | Sharp |
| Fields (TX) | Lowey | Shaw |
| Fish | Machtley | Shays |
| Fowler | Manzullo | Sisisky |
| Franks (CT) | Matsui | Skaggs |
| Franks (NJ) | Mazzoli | Skeen |
| Galleghy | McCandless | Slattery |
| Gallo | McCurdy | Smith (IA) |
| Gephardt | McDade | Smith (MI) |
| Geren | McDermott | Smith (NJ) |
| Gibbons | McHale | Smith (OR) |
| Gilchrest | McHugh | Smith (TX) |
| Gillmor | McInnis | Solomon |
| Gingrich | McKeon | Stark |
| Glickman | McMillan | Stenholm |
| Gonzalez | Menendez | Stokes |
| Goodlatte | Mfume | Stump |
| Goodling | Mica | Sundquist |
| Gordon | Michel | Talent |
| Goss | Miller (CA) | Tanner |
| Grams | Miller (FL) | Taylor (MS) |
| Grandy | Minge | Taylor (NC) |
| Greenwood | Molinaro | Tejeda |
| Gunderson | Mollohan | Thomas (CA) |
| Hamilton | Montgomery | Thornton |
| Hancock | Moran | Thurman |
| Hansen | Morella | Torricelli |
| Harman | Murtha | Unsoeld |
| Hastert | Myers | Valentine |
| Hefley | Natcher | Visclosky |
| Hefner | Neal (NC) | Volkmeyer |
| Herger | Nussle | Walker |
| Hoagland | Obey | Walsh |
| Hobson | Ortiz | Watt |
| Hoke | Orton | Waxman |
| Hoke | Oxley | Weldon |
| Holden | Parker | Whitten |
| Horn | Pastor | Wilson |
| Hoyer | Paxon | Wolf |
| Huffington | Payne (NJ) | Wyden |
| Hughes | Penny | Young (AK) |
| Hunter | Peterson (FL) | Young (FL) |
| Hutchinson | Petri | Zimmer |
| Hutto | Pickett | |

NOT VOTING—18

- | | | |
|--------------|-----------|----------------|
| Bonior | Frost | Moakley |
| Brown (FL) | Gutierrez | Packard |
| Conyers | Hamburg | Tauzin |
| de Lugo (VI) | Henry | Tucker |
| Dornan | Hinchey | Underwood (GU) |
| Edwards (CA) | Mann | Yates |

□ 1450

Messrs. ORTIZ, CLAY, LEVY, and ROWLAND changed their vote from "aye" to "no."

Messrs. STEARNS, BARCIA of Michigan, and TORKILDSEN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

TITLE V—DEPARTMENT OF STATE AND RELATED AGENCIES

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS
DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service, including expenses authorized by the State Department Basic Authorities Act of 1956, as amended; representation to certain international organizations in which the United States participates pursuant to treaties, ratified pursuant to the advice and consent of the Senate, or specific Acts of Congress; acquisition by exchange or purchase of passenger motor vehicles as authorized by 31 U.S.C. 1343, 40 U.S.C. 481(c) and 22 U.S.C. 2674; \$1,612,206,000, and in addition not to exceed \$665,000 in registration fees collected pursuant to section 38 of the Arms Export Control Act, as amended, may be used in accordance with section 45 of the State Department Basic Authorities Act of 1956, 22 U.S.C. 2717, and in addition not to exceed \$1,185,000 shall be derived from fees from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act (Public Law 90-553, as amended by section 120 of Public Law 101-246), and in addition not to exceed \$15,000 shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities in accordance with section 46 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2718(a)).

AMENDMENT OFFERED BY MR. ENGLISH OF OKLAHOMA

Mr. ENGLISH of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLISH of Oklahoma: Page 59, line 23, strike "\$1,612,206,000" and insert "\$1,512,206,000".

Mr. ENGLISH of Oklahoma. Mr. Chairman, in a hearing held by the Government Operations Subcommittee on Legislation and National Security on Tuesday it was revealed by the General Accounting Office and the State Department's inspector general that the State Department was losing hundreds of millions of dollars due to inadequate and sloppy financial and management systems, as well as the lack of administrative controls in its overseas operations.

The GAO has been reporting on these same management problems at the State Department for over 30 years. For these past 30 years the State Department has continually said they would get this situation under control. However, the Government Operations Committee, year in and year out, finds itself in the position of looking into continuing waste, fraud, and abuse in this area.

Mr. Chairman, the Congress is often accused of micromanaging the affairs of various agencies. I, for one, do not condone this practice except when serious circumstances dictate. This is certainly one such circumstance.

Now, Mr. Chairman, I would like to give you examples of a few of the problems we have run into.

As I mentioned, the General Accounting Office has been reporting on the State Department and the same mismanagement problems for over 30 years.

We recently sent out a management questionnaire to 104 embassies and received an 80-percent return. Now, these questionnaires, as well as other investigations carried out by the inspector general, showed that 80 percent of the embassies surveyed showed staffing gaps that impacted on the daily operations and budgeting, contracting, procurement, and other such items.

We also found in the area of training that 53 percent of the information systems security officers have not received the formal training in managing an automated, unclassified information security system.

In addition, in the financial management area we found that one-third of the responding embassies reported dissatisfaction with the ability of financial management systems to provide timely information necessary for making operational and management decisions.

In fact, State first reported that its financial systems had a material weakness under the Financial Integrity Act process. They said corrective action may come—may come, Mr. Chairman—in 1999, 16 years after this problem was first reported.

Mr. Chairman, in the procurement and contracting area, 39 percent of the embassies responding to the GAO survey reported that they did not have the competition advocacy program, 30 percent did not have State's worldwide procurement database installed and in operation, and 39 percent had not developed an acquisition plan for the fiscal year 1992.

In the real-property management area, an estimated worth of overseas real estate and construction is somewhere in the neighborhood of between \$8 billion and \$10 billion. Of that property, 30 percent of the embassies acknowledged that they have not conducted the recommended annual condition surveys of all Government-owned and long-term-leased facilities. Ten percent indicated that they did not have a preventive maintenance program.

Most of the 80 embassies answering the survey said that they had not prepared an annual inspection summary report, which is a recommended tool for developing long-range maintenance objectives and budget requirements.

In the housing area, Mr. Chairman, 88 percent of the embassies responding to the surveys reported that some housing units at their embassies exceeded—exceeded, Mr. Chairman—State's 1991 residential housing space standards. Sixty-one percent reported that 10 or

more of the units exceeded the standard. Sixty-two percent estimated it would take 2 years or more to be in full compliance with the 1991 housing space standards.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. ENGLISH] has expired.

(By unanimous consent, Mr. ENGLISH of Oklahoma was allowed to proceed for 2 additional minutes.)

Mr. ENGLISH of Oklahoma. Mr. Chairman, as far as personal property is concerned, 19 percent of the embassies responding to the survey reported that the personal property shortages had exceeded 1 percent or more of the total value of the inventory in fiscal years 1991 and 1992 or both.

In the fiscal year 1992 the value of the inventory shortages at 10 responding embassies totaled \$425,000 and 14 percent of the respondent embassies reported that their embassy did not use the automated property system developed by State in the 1980's to improve the internal controls for all nonexpendable property.

□ 1500

Mr. Chairman, these kinds of items raise some very serious questions about the willingness of the State Department to deal with what as I mentioned is the loss of hundreds of millions of dollars each year.

With regard to that situation of missing property, we also even have items such as office furniture, office equipment, computers, typewriters, and even lawn furniture, Mr. Chairman, was simply found to be missing with no accounting. No one knows where it went. It simply was not at the particular embassy anymore.

In one egregious case, the Office of Inspector General reported the unauthorized construction of two buildings at the Embassy in the Philippines to house squash and racquetball courts. These courts were built without the approval of funding by the Department, and, in fact, the employees responsible for this theft, that is what this is, Mr. Chairman, out-and-out theft, if you will, Mr. Chairman, they were given a simple slap on the wrist, 7 days without pay.

Mr. Chairman, these individuals should be in jail. Obviously, no one is going to take these matters seriously if there is no intention to prosecute this kind of fraud.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

(By unanimous consent, Mr. ENGLISH of Oklahoma was allowed to proceed for 1 additional minute.)

Mr. ENGLISH of Oklahoma. Mr. Chairman, I feel that the only way the State Department, and let me say possibly other Departments, will get the message that this type of practice is simply unacceptable is to cut their

funding, and that is exactly what I intended to do today.

In the last few days, both in the Government Operations Committee and in conversations I had with State Department officials, I was personally assured that the individuals in the State Department, including the Secretary, would sit down with officials from the General Accounting Office, the Inspector General's Office, the committee staff, and myself, in order to finely hone a program where this sort of waste will be stopped.

Let me also say, Mr. Chairman, I think without question it must be stopped.

In light of the fact that we have new officials in the State Department and with their willingness, strongly expressed willingness to cooperate, I am willing to withdraw this amendment; however, Mr. Chairman, let me stress that if the corrections to these practices are not made in the coming months, I believe the only way in which these programs can be dealt with is to return here to the floor of the House of Representatives and either instructing in funding legislation how this money will be spent to deal with these problems in a micromanagement way, if you will, or to simply cut the appropriation bills altogether.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

First, I want to commend the gentleman from Oklahoma. I was on the Government Operations Committee for 4 years. It does some wonderful work. It is set up for the very purpose of oversight in depth that other committees do not have an opportunity to get into. The gentleman has done a good job on this matter, and I want him to continue to do that good work.

We have 270 embassies and consulates around the world. Our subcommittee, to the extent we have time, tries to see some of these embassies and consulates, and every time we have done that, we have found someplace where money could be saved, quite often in the millions of dollars. Our subcommittee can only get to a few of those each year. Maybe if we make three trips every two years, we might see 15 or 20 embassies and consulates. So we welcome the help of the gentleman's committee.

I want to commend the gentleman for what he has done in looking into this.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. Mr. Chairman, I think the subcommittee chairman makes a good point.

The real issue that we have get down to and what we have to persuade the State Department to carry out is putting in place the kinds of management systems, making sure that the appara-

tus is there, that the people have the training, that they understand and recognize that this is in fact a very important item.

During these time, and I know the gentleman has done extremely well in bringing to the floor an appropriations bill that is trimmed down, in fact reduced, cut, and that the dollars that are available are becoming more and more scarce each and every year, and that is going to be the case on into the future.

We simply cannot tolerate at any time the waste of taxpayers' dollars, but especially during these extremely difficult times we have to make certain that every dollar that we can possibly save is saved and that we simply cannot tolerate mismanagement.

I am hopeful that we will convince the State Department to prosecute vigorously through the Justice Department any cases and instances of out and out fraud, such as using taxpayer dollars in an unauthorized fashion to build a squash or racketball court. That simply is not acceptable.

Mr. SMITH of Iowa. Mr. Chairman, I do not want to leave the impression that past Secretaries of State have not tried to do something about these problems. Each one who came in during the last few years really tried to do something, but the State Department is a worldwide operation. As much as the Secretaries have tried, and they have made some improvements, there are still a lot of improvements to be made.

I am thankful the gentleman will withdraw his amendment, because it is not that the Department needs less money. They need to spend the money more wisely.

So Mr. Chairman, I compliment the gentleman for his work, and I would appreciate it if he would withdraw the amendment.

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

Mr. Chairman, I want to commend the gentleman from Oklahoma. He, the inspector general and the GAO, have pointed out a very serious management and control problem in the State Department.

As I understand the situation, the gentleman from Iowa, the chairman of the Appropriations Subcommittee made reference to it, we are hearing from the State Department that they think, that they accept and acknowledge the existence of this problem. They think they are starting to make improvements.

As I understand it, the Assistant Secretary of State for the administration testified in front of the Subcommittee on Government Operations, on which the gentleman serves, and made very clear his intent to get to the bottom of this, to try to clean this problem up.

All I wish to indicate from the point of view of the authorizing subcommittee in this area, that we intend to look

very closely into what is happening and to pay more attention than we have up to this time to this whole question of property management of our overseas posts, and I thank the gentleman for his initiative.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I am happy to yield to the gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. Mr. Chairman, I thank the gentleman for yielding to me, and I appreciate his comments and the work that he does in his committee.

Let me just say, Mr. Chairman, that this is a warning shot across the bow. If we are required to come back from the Government Operations Committee next year and we cannot report substantial progress being made, if we cannot report an agreement being made between the State Department, the inspector general, and the GAO, as well as the relevant committees here in Congress, then we will be pushing ahead with this amendment. We will either be voting for substantial cuts along the lines we are talking about, likely exceeding the \$100 million in the amendment I was offering, or we will be attempting to earmark specific dollars for specific systems to give us a full accounting and to deal with this problem.

I am hopeful that we can reach an agreement and an understanding. I am very hopeful, Mr. Chairman, that it will not be necessary to reach that degree of micromanagement, but I am prepared to do that next year.

With that, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Oklahoma [Mr. ENGLISH] is withdrawn.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of State and the Foreign Service, provided for by law, including expenses authorized by section 9 of the Act of August 31, 1964, as amended (31 U.S.C. 3721), and the State Department Basic Authorities Act of 1956, as amended, \$481,416,000.

BUYING POWER MAINTENANCE

To offset adverse fluctuations in foreign currency exchange rates and/or overseas wage and price changes, as authorized by section 24(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696 (b)), \$3,800,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App. 1-11 as amended by Public Law 100-504), \$23,469,000.

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 905 of the Foreign Service Act of 1980, as amended (22 U.S.C. 4085), \$4,780,000.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services in accordance with the provisions of section 214 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4314) and 3 U.S.C. 208, \$10,551,000.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-300), and the Diplomatic Security Construction program as authorized by title IV of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4851), \$381,481,000, to remain available until expended as authorized by 22 U.S.C. 2696(c): *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture and furnishings and generators for other departments and agencies.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service pursuant to the requirement of 31 U.S.C. 3526(e), \$7,805,000, to remain available until expended as authorized by 22 U.S.C. 2696(c): *Provided*, That not more than \$1,000,000 shall be available for representation expenses.

□ 1510

AMENDMENT OFFERED BY MR. ORTON

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

The Clerk read as follows:

Amendment offered by Mr. ORTON: Page 62, line 6, strike "\$7,805,000" and insert "\$2,700,000".

Mr. ORTON. Mr. Chairman, this amendment would reduce spending by \$5,105,000 in the emergency funds account. The purpose of the emergency funds account is to meet unforeseen emergency requirements in conducting our foreign operations. This includes emergency evacuations of American citizens in overseas areas due to political unrest or natural disaster. It also includes payments of rewards for information concerning international terrorism and narcotics terrorists' activities. It also includes investigations of passport and visa fraud.

But it also includes, Mr. Chairman, activities associated with visits by foreign dignitaries and representation activities. This is a fancy word for entertainment.

Mr. Chairman, I do not have objection to having contingency or emergency funds available for foreseeable types of needs that occur with frequency. For example, emergency evacuations are required with an increasing frequency, but with no great predictability as to cost. However, so-called emergency expenditures should be just that, not merely a backdoor approach

to increasing expenditures for representation allowances or entertainment. The use of these funds for representation allowances is especially disturbing.

Now the House bill language does include a limitation that no more than \$1 million shall be available for representation expenses. I do question whether any such funds should be used from emergency accounts.

The Senate has found in their Appropriations Committee report, and I quote, the department has used this account, which is paid for by the American taxpayers, to fund gifts and a standard of entertainment to which few Americans could ever aspire. For example, for the visit of one foreign leader, Mr. Chairman, the State Department hired exclusive caterers and accounted for the following expenditures:

Catering for State Department lunches: \$7,532; flags: \$5,733; flowers: \$2,140; calligraphy: \$896; limousine service: \$11,453; lodging: \$1,148; interpreter services: \$1,300; and White House State Department dinner: \$27,655.

Now, aside from the questionable use of emergency funds for entertainment, Mr. Chairman, I believe there is a question of whether or not the funds are actually needed. In researching this issue I noted that the State Department, in response to a question submitted in the appropriations hearing on page 248 of the House subcommittee hearings, which is where my colleagues can find this question, the State Department responded that they estimated there would be a \$4.8 million carryover at the start of fiscal year 1994, the period for which we are appropriating. Thus, when we add this carryover of \$4.8 million to the \$7½ million that we would be appropriating here, the amount of emergency funds would actually be \$12,605,000. Given that we have consistently, over the past several years, seen a carryover of these funds, I question whether this level of emergency contingency funding is not excessive. Therefore, Mr. Chairman, my amendment, even after cutting the \$5 million, would still leave an estimated balance in the emergencies account of \$7½ million.

Furthermore, if it should be necessary, or if necessary fundings should prove insufficient and it is necessary to find other funds, there are other sources available to tide us over in the next fiscal year, either through reprogramming the funds from salaries and expenses or from supplementary appropriations, both of which methodologies were used in the 1991 problem when we had to evacuate citizens from the Iraqi conflict in which \$1.6 million was reprogrammed from the salary and expense account and an additional \$9.3 million supplemental appropriation was approved.

Mr. Chairman, I would be willing to withdraw this amendment, and I under-

stand the gentleman from California [Mr. BERMAN] is going to speak to some of my concerns.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Utah [Mr. ORTON].

Mr. Chairman, I will not take the full 5 minutes. I will let others speak. But let me just say this.

This account has three pieces to it. One is for emergency evacuations for our Government employees and American citizens who are caught abroad in some disturbance: Civil unrest, a war, natural disaster, or whatever. The second purpose, of course, is for rewards for information to help fight international terrorism and narco terrorism. The third part, as the gentleman has mentioned, is for entertainment expenses at the White House and the State Department for the entertaining of foreign dignitaries. I ask my colleagues, when President Yeltsin comes, what are you going to do? Give him crackers and send him on back home? This is for the state dinners at the White House, the entertaining of foreign dignitaries and heads of state that come to our country.

Mr. Chairman, as the gentleman mentioned, that portion of the bill is limited to \$1 million. That is all. The gentleman's amendment would cut this whole account by over \$5 million, which means, if we cut out all of that million, we are cutting \$4 million out of these terribly important accounts of emergency evacuation of our people and rewards for fighting terrorism and narcotics.

So, Mr. Chairman, I cannot support the amendment offered by the gentleman from Utah [Mr. ORTON]. This money is too important and needs to stay in the bill, and I would hope the gentleman would, in due course of time, withdraw the amendment.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Utah [Mr. ORTON].

Mr. Chairman, we already cut this account and it may appear there is still more money than is needed, but I tell the gentleman that this account will have to award \$4 million in the PanAm case. That was information they needed and it was a terribly important case. It involved a lot of deaths of American citizens. They do have the carryover the gentleman mentioned, but we cut the total amount in the bill.

The State Department is also expecting to have use of this account to evacuate a lot of American citizens out of Nigeria. They do not know when this may come up. It may come up when we are not in session.

This fund is needed. This is a fund that helps American citizens that happen to be caught in a bad situation in a foreign country, and I just think these are funds that the Department

needs. I have not seen the evidence that they have been wasting these funds. But anyway I think they need this amount of money. It is less money than they requested. So, I feel at this time the House should oppose this amendment.

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

Mr. SMITH of Iowa. I yield to the gentleman from Utah.

Mr. ORTON. As I looked at this particular amendment and researched the issue, I noted that we are, in fact, carrying over each year a significant amount, banking this amount for contingencies. Back in 1991 they actually needed more than they had and came with a supplemental.

□ 1520

But in 1992 the amount appropriated was \$7 million. They only spent \$4.5 million. In 1993 the amount appropriated was \$8 million and they only spent \$4.5 million. Now we are appropriating \$7.5 million, and, with a \$4.5 million carryover, we have got actually \$12.5 million that would be available.

Mr. SMITH of Iowa. Mr. Chairman, reclaiming my time, we are taking into consideration that they had been expecting for 2 or 3 years to pay out a lot of money in the Pan Am 103 case. There is also another award for information about terrorist activities that the fund will have to pay. That is another \$1 million. So there is a need for this money that has carried over from prior years.

Mr. Chairman, in most accounts I would agree with the gentleman, that carryover money should be considered as a part of the current funds available for the current needs. But I think in this case we need some carryover funds.

They kind of anticipate more or less the amount they will need for the awards program. They cannot anticipate the amount they will need for evacuating Americans from Nigeria or some place like that. We might be out of session when they need the money.

So I would hope the gentleman from Utah [Mr. ORTON] might withdraw his amendment after pointing out the problems.

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

Mr. Chairman, yes, I understand what the gentleman from Utah [Mr. ORTON] is driving at with this amendment, but I want to put some of the issues involved in this amendment into a certain context.

The gentleman read about expenditures from this account for representational purposes, essentially inside the United States, entertainment of foreign dignitaries. Had the Congress, and the subcommittee which I chair, not declassified that information in the 1991 State Department authorization bill, the gentleman would not have

been able to bring that to the floor of Congress.

Moreover, we separated out the representational moneys from the emergency and reward moneys because we felt there were questionable activities and expenditures being made from that account, and we wanted, one, for it to be declassified, and, second, to be limited.

Moreover, the amount that has been authorized and appropriated for representational activities has been dramatically cut. And in this appropriations bill there is a flat cap on that portion of the emergency funds which can be spent on representational activities, which is considerably less than the level back in the beginning of the 1990's.

On the broader question, and both the gentleman from Iowa [Mr. SMITH] and the gentleman from Kentucky [Mr. ROGERS] have made reference to this issue, this account is a very important account. It provides the Secretary with his discretionary ability to deal with unforeseen crises, particularly those affecting the lives and safety of American citizens abroad, threatened by war, civil unrest, or natural disaster.

When the Persian Gulf crisis erupted, the Department totally depleted the account in evacuating U.S. employees from all agencies, citizens, and dependents, out of harm's way.

Through operations made possible through this account, we removed thousands of our compatriots from danger. This helped our Armed Forces to conduct Operation Desert Storm without special measures to protect the safety of American civilians.

The State Department had to be able to rely on this account for last minute charters of civilian aircraft. This costs money.

The Persian Gulf is not the beginning and end of the story. Since 1979 emergency evacuations have become a fact of life. Repeatedly in Iran, Afghanistan, Libya, Liberia, Somalia, evacuations have saved countless American lives. The end of the cold war has increased, not diminished, unrest around the world.

As recent events in Kuwait and Iraq demonstrate, the risks to our people overseas from terrorism are something we must continue to plan to counteract.

Now, we also deal with that portion of the account that pays for rewards for information to deter, counteract, and prosecute international terrorists and drug thugs. The awards program has been a success. I would hate to see the Department stop publicizing rewards for lack of funds.

The account also pays for confidential efforts to investigate U.S. visa and passport frauds by terrorists and refugee smugglers.

The gentleman makes an interesting point on the carryover money, and we

must acknowledge this carryover money is part of an effort to replenish this fund to deal with those contingencies which may be far more than anyone could now anticipate.

As I look at the spending history of this account, and moving aside the representational expenses which now have been capped and limited, the fact is that in fiscal year 1989, there was appropriated \$4.5 million with obligations of just less than \$100,000 left in that. In 1990, the year of Desert Storm, there was an appropriation of \$4.6 million, and \$7.4 million was spent. They actually reached into a deficit situation in that particular year.

By the time we passed our supplemental in fiscal year 1991, long after that money was spent, we appropriated \$15 million and included a reprogramming transfer. We only expended or obligated \$12,496,000.

Now we are carrying over approximately \$4.5 million and appropriating \$7 million more. Presumably we will have to see where we are at the end of fiscal year 1994. Next summer, as we get into the appropriations process, hopefully we will have built the fund up to the point where the State Department can feel free to respond quickly before Congress has a chance to pass a supplemental.

The gentleman makes one other point regarding programming of salaries and expenses. The fact is we have cut well over \$100 million in salaries and expenses and support staff for the State Department below fiscal year 1993's level.

In addition, when you take the peace-keeping drain and the humanitarian relief drain for what is going on in Bosnia and other countries, the ability to reprogram quickly substantial amounts of salary and expense money is getting more and more limited. I think this is a prudent level of appropriation for this year. I think we want to look at it again next summer.

The CHAIRMAN. The time of the gentleman from Utah [Mr. ORTON] has expired.

(By unanimous consent, Mr. ORTON was allowed to proceed for 1 additional minute.)

Mr. ORTON. Mr. Chairman, I thank the gentleman from California [Mr. BERMAN] and the chairman of the committee, the gentleman from Iowa [Mr. SMITH] for their explanation on these issues, as well as the other members of the committee. I would simply say that my concern was twofold: One, that expenditures not be appropriated out of the emergency account for non-emergency entertainment. I think that has been addressed by the committee with the \$1 million limitation. I am certainly willing to look at this again next year.

Mr. Chairman, I thank the chairman for his explanation of the additional needs with regard to the Pan Am

bombing that may be expended this year.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah [Mr. ORTON]?

There was no objection.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

REPATRIATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$593,000, as authorized by 22 U.S.C. 2671: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, \$183,000, which may be transferred to and merged with the Salaries and Expenses account under Administration of Foreign Affairs.

AMENDMENT OFFERED BY MR. ORTON

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

The Clerk read as follows:

Amendment offered by Mr. ORTON: Page 62, line 11, strike "\$593,000" and insert "\$186,000".

Page 62, line 14, strike the word "In" and all that follows through line 18.

Mr. ORTON. Mr. Chairman, this amendment would reduce spending by \$590,000. This reduces the subsidy cost of direct loans for the repatriation loan program by \$407,000 and reduces costs of \$183,000 and funding for administrative expenses necessary to carry out this repatriation loan program.

Very briefly explaining what this repatriation loan program is, when we have U.S. citizens traveling abroad, occasionally they find themselves in a foreign country. They have spent all of their money, and they have no way to get home. This particular program offers loans to those U.S. citizens for the cost of getting back home to the United States.

Now, on its face that certainly seems to be a very bona fide purpose for lending taxpayer money. When we look a little closer, in face we can see in instances where this is a valid expenditure or a valid loan.

□ 1530

For instance, individuals may have a health problem in a foreign country, and there may be costs of evacuating that individual by private ambulance or et cetera or bringing them back for treatment to save the life of that individual. Certainly, no one would suggest that we eliminate those types of loans. But we also find a number of U.S. tourists and students who, knowing that this money is available to borrow from the Federal Government to get back home, go overseas to Europe and decided to stay that extra week, spend all of their money. In fact, there have even been reports of tourists cashing in their return ticket and then spending that money in Europe, going to the embassy, saying, "I don't have any way to

get home," and having these loans made.

If the loans were paid back, I would not have a problem either. But we find that there is a historic 80 percent default rate on repayment on these loans. This program simply allows Americans to be irresponsible, to spend all their money and ask Uncle Sam to bring them home.

My amendment, in fact, does two things. One, cutting the loan subsidy, the \$400,000 reduction in the subsidy cost would allow the State Department to continue to finance the same amount of loans as proposed in the bill, if they got their repayment rate or their default rate down to 25 percent instead of 80 percent. So if they simply were able to collect from 75 percent of those loans rather than only 20 percent of the loans, they could still function with the programs at the same level.

I do not think a 25-percent default rate is unrealistic. I do not see justification for administrative expenses for this program, since, in fact, the program is not operated separately as a separate freestanding program.

All of the costs attributable to interviewing the people, as they come into the Embassy, and making the loan and so forth are paid for or are done simply by employees in the normal course of their business. There is not an additional need of administrative expenses for this program.

So my amendment would also cut the direct administrative expenses for the program. Mr. Chairman, I believe that is reasonable to ask the State Department to simply collect on the loans that are made. And if we can get the default rate down to only 25 percent default, we certainly can fund the same level of the program.

So I would urge my colleagues to support this amendment.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

First, let me explain why we have a separate item here for salaries and expenses to administer this program. It is because the Credit Reform Act requires that. They require setting forth separately the amount to administer these loan programs.

Twenty percent of these loan requests are denied. And as the gentleman said, sometimes American citizens are in a foreign country who should not be in the fix that they are in. But they are in those countries. They are United States citizens. It is a very difficult thing to decide what to do.

We cannot just leave them there. The public would not permit that. So what we have done is provide a program which will loan them money if they do not have it. If they don't pay back the loan, they will never get another passport.

I do not know what more we can do than that because if we did not loan

them the money, we would probably end up giving them a grant. And none of these funds would ever be paid back.

Whatever we are getting back under this loan program is more money than we would have repaid if we did not have the loan program.

Members demand that when their constituents are in a foreign country and find themselves without any funds to get back to the U.S., whether they lost their money or were robbed or whatever the situation may be, they be given some kind of emergency help to get them home. As a matter of fact, Members also demand that the State Department quit harassing their constituents to get these loans paid off.

So Members just would not permit the Department to stop this loan program. The State Department takes their passports. The Department does not give them another one until the loan is paid back.

It is one of those items we cannot win. If the Department does not give them a loan, then they will have to give them a grant. And if they give them a grant, nobody can complain about the default rate. If the Department gives these Americans a loan, then some of them will not pay them back.

I think this program is needed, and I do not see any alternative. So I am opposed to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. ORTON].

The amendment was agreed to.

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

Mr. Chairman, at the appropriate time that will come toward the end of the bill, before the motion to rise, I will seek to offer an amendment that would be similar to the amendment that I sought to offer on the previous appropriation bill. That is, to set aside 1 percent of the funding in this bill to be used for the flood disaster in the Midwest.

The amendment that I have would seek to have the Secretaries hold 1 percent of their money for payment of possible bills in 1994 for the flood disaster.

What is now apparent is that the \$2.5 billion to \$3 billion that we will be asked to provide in the emergency supplemental bill that will come to the floor within a couple of days will only be a down payment on the amount necessary to clean up after the floods in the Midwest. Both infrastructure needs as well as needs of individuals in that area of the country are going to exceed the \$2.5 to \$3 billion figure by many billions. No one is exactly certain what the figure is, but the administration and most other observers are now saying that additional needs are going to be there.

Those needs, given the fact that we are at the end of this fiscal year, will

fall in fiscal 1994, and so we already know that this Congress is going to have an obligation to help people in the Midwest with flood damage clean up in fiscal 1994.

The issue is whether or not we are going to add that additional money onto the deficit or whether or not we are going to begin to prepare now to pay for that expense that we know is coming.

In my view, we ought to begin to prepare now. If we would begin now to set aside 1 percent of the money in each appropriations bill for flood damage control, if we did this on all the appropriations bills, we could find \$5 billion, give or take a little bit, for flood damage control. That figure, in addition to the \$2.5 to \$3 billion that will be in the supplemental appropriation, comes somewhere close to the figure that observers are now saying would be necessary to deal with the flood disaster.

The reason for doing this is because it would then allow the agencies to begin to plan as well. Those agencies ought to know the percentage of their money that is going to come out to deal with flood damage, and they could begin to plan immediately for that kind of contingency.

If we refused to provide contingency monies, it seems to me that we are admitting from the outset that this is money that we want to spend of an emergency nature and we want to add it on to the deficit.

I agree that the money ought to be spent in an emergency way. The question is whether or not faced with the emergency, whether we ought to do the fiscally responsible thing. The fiscally responsible thing would be to set aside money in next year's budget now for expenses that we know we have to meet next year.

That is what my attempt will be. I will ask the membership to vote against the motion to rise, if that should precede my amendment. And if the motion to rise should fail, I would then offer an amendment designed to set aside 1 percent in this bill.

I want to assure the House that it is my intention to make that 1 percent also applicable to the other appropriation bills.

□ 1540

What my hope is, is if the House sends this kind of signal, we can go to the Senate and suggest that these moneys be added onto the Senate.

There is also entirely the possibility that we could end up with a continuing resolution at the end of this year. This kind of amendment would certainly be something that could be added to a continuing resolution, setting aside 1 percent of all the money in that resolution for flood damage relief. If we begin the process now, we will assure that we will have the ability to get that kind of action taken should we come to a con-

tinuing resolution. It gives us an opportunity to do the responsible thing.

I would urge the membership to vote against the motion to rise at the time that that comes, in order to be able to deal with the flood disaster in a fiscally responsible manner.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

PAYMENT TO THE AMERICAN INSTITUTE IN
TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96-8 (93 Stat. 14), \$15,165,000.

PAYMENT TO THE FOREIGN SERVICE
RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement Disability Fund, as authorized by law, \$125,084,000.

INTERNATIONAL ORGANIZATIONS AND
CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL
ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, \$888,599,000, of which not to exceed \$88,083,000 is available to pay arrearages, the payment of which should be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: *Provided*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings.

POINT OF ORDER

Mr. LINDER. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LINDER. Mr. Chairman, I make a point of order against the language appearing in the bill on page 63, lines 1 through 17. The paragraph provides appropriations for a program not authorized by law, and is in violation of House rule XXI, clause 2.

The CHAIRMAN. Does the gentleman from Iowa [Mr. SMITH] desire to be heard on the point of order?

Mr. SMITH of Iowa. Mr. Chairman, it is not authorized, so I have to concede the point of order.

The CHAIRMAN (Mr. BROWN of California). The point of order is conceded, and the Chair upholds the point of order.

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

Mr. Chairman, I shall not take the entire 5 minutes. However, it is appropriate, I think, at this point in the discussion to mention a couple of points, because we have just stricken the entire section dealing with international organization contributions; that is, the United Nations and the other international organizations. The peacekeeping operations of the U.N. are not included in this account.

Let me say this, the United States contribution to the United Nations' general fund is 25 percent of the entire budget of the United Nations. That figure, of course, is an historic figure that goes back to the formation of the Security Council, but is antiquated in that Japan is not a member, Germany is not a member of the Security Council, and the contribution level that the United States is supposed to make to the United Nations and does make, at 25 percent, one-fourth of the total, is not fair. It needs to be addressed. I know efforts have been made in that respect; without avail, however.

At one point in time a few years ago we withheld a portion of our annual contribution to the U.N. to force some reforms to take place, and thank goodness, over a span of time and thanks to our withholding of those funds, those reforms did take place.

Now there is another reform that is desperately needed. We have requested it. The United Nations so far has refused to go along with it. That is simply to account to us about where our monies are going and how they are being spent.

Our representatives there have asked the United Nations for the appointment of an Inspector General of the United Nations, to be able to go through the books and to assure us that our contributions are being fairly and adequately spent, and to report to the American people and to the other contributors to the United Nations around the world. There is nothing wrong with that. There is no way they can defend refusing, in my judgment, that modest request of the appointment of an inspector general. We are entitled to know where these moneys are going.

I will not talk today about some of the rumors and allegations of misspent moneys in the United Nations. That perhaps can take place another day. I hope it does, if there is no remedy forthcoming. However, the American people are entitled to know where this very large amount of money that they contribute to the United Nations is being spent and for what purpose.

I am told that the peacekeeping account, different from the general account of the United Nations, I am told that moneys float freely between the peacekeeping and general accounts; that when the general fund runs low, the peacekeeping account is drained some, and vice versa.

I would point out to the Chair that our peacekeeping assessment is more than 25 percent. It is more than the 30 percent that they have been assessing us. Now it is up to 31.4 percent. Who sets the figure? We certainly did not. The United Nations Security Council does. They say: "United States, we are going to send a peacekeeping force to this place or that place," we are in 14 of them now, "and by the way, here is

your bill, and your share is almost one-third." Mr. Chairman, I think that is terribly unfair.

I want to see us address in the United Nations some of these questions that the American people are entitled to have addressed. The peacekeeping account now is becoming a very large dollar figure. There are 14 of them going on now. I think there are another 12 or 13 requests for more peacekeeping missions that are in the works. Not only are we talking about dollars here. Of course, and more importantly, we are talking about the assignment of American military personnel, by a non-American entity.

I hope Congress and the administration addresses a very basic policy question that goes to the very roots of our existence as a country: How do we deal with these multiple requests by the United Nations for men and money for these peacekeeping operations around the world where we, the Congress, do not decide whether we assign American forces and money there. The War Power Act at best is understood, not to mention the Constitution and Congress' power to declare war.

Mr. Chairman, it needs to be addressed. For that purpose, I wanted to say these words before we go further.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. (By unanimous consent, Mr. Rogers was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I just want to say to the gentleman that our subcommittee is concerned, and I join him in being alarmed at the size of the peacekeeping bills. The Peacekeeping assessments are made pursuant to the UN Treaty so we are obligated to pay them. However, with the tight budget situation the bigger the peacekeeping bill, the less there is for salaries and expenses for the State Department's overseas operations. In too many cases, as our subcommittee has been pointing out for four or five years now, these peacekeeping operations are at best marginal. They are mostly an excuse to get rid of a problem in a certain area. That has been the history of most of the peacekeeping operations.

I think that the opposition now to continually placing large peacekeeping forces everywhere in the world, has become a chorus in the House now, instead of just a few Members talking about it. We have to pay considerable attention to this development because we cannot continue to pay bigger peacekeeping bills in the hundreds of millions of dollars when these funds come out of the salaries and expenses account of the State Department, and reduce programs that are very badly needed.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

CONTRIBUTIONS FOR INTERNATIONAL
PEACEKEEPING ACTIVITIES

For payments, not otherwise provided for, by the United States for expenses of the United Nations peacekeeping forces, as authorized by law, \$422,499,000, of which not to exceed \$20,892,000 is available to pay arrearages.

INTERNATIONAL CONFERENCES AND
CONTINGENCIES

For necessary expenses authorized by section 5 of the State Department Basic Authorities Act of 1956 in addition to funds otherwise available for these purposes, contributions for the United States of general expenses of international organizations and conferences and representation to such organizations and conferences as provided for by 22 U.S.C. 2556 and 2672, and personal services without regard to civil service and classification laws as authorized by 5 U.S.C. 5102, \$5,463,000, to remain available until expended as authorized by 22 U.S.C. 2696(c), of which not to exceed \$200,000 may be expended for representation as authorized by 22 U.S.C. 4085.

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:

INTERNATIONAL BOUNDARY AND WATER
COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed \$6,000 for representation; as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, \$11,054,000.

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, \$14,051,000, to remain available until expended as authorized by 22 U.S.C. 2696(c).

AMERICAN SECTIONS, INTERNATIONAL
COMMISSIONS

For necessary expenses, not otherwise provided for, including not to exceed \$9,000 for representation expenses incurred by the International Joint Commission, \$4,290,000; for the International Joint Commission and the International Boundary Commission, as authorized by treaties between the United States and Canada or Great Britain.

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, \$14,200,000: *Provided*, That the United States share of such expenses may be advanced to the respective commissions, pursuant to 31 U.S.C. 3324.

OTHER

UNITED STATES BILATERAL SCIENCE AND
TECHNOLOGY AGREEMENTS

For necessary expenses, not otherwise provided for, for Bilateral Science and Technology Agreements, \$4,275,000, to remain available until expended as authorized by 22 U.S.C. 2696(c).

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, as authorized by section 501 of Public Law 101-246,

\$16,287,000, to remain available until expended as authorized by 22 U.S.C. 2696(c).

GENERAL PROVISIONS—DEPARTMENT OF STATE

SEC. 501. Funds appropriated under the title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of 5 U.S.C.; for services as authorized by 5 U.S.C. 3109; and hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 502. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the United States Information Agency in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided further*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Related Agencies

ARMS CONTROL AND DISARMAMENT AGENCY
ARMS CONTROL AND DISARMAMENT ACTIVITIES

For necessary expenses, not otherwise provided, for arms control and disarmament activities, including not to exceed \$100,000 for official reception and representation expenses, authorized by the Act of September 26, 1961, as amended (22 U.S.C. 2551 et seq.), \$47,279,000.

BOARD FOR INTERNATIONAL BROADCASTING
GRANTS AND EXPENSES

For expenses of the Board for International Broadcasting, including grants to Radio Free Europe/Radio Liberty, Incorporated, as authorized by the Board for International Broadcasting Act of 1973, as amended (22 U.S.C. 2871-2883), \$214,643,000, of which not to exceed \$52,000 may be made available for official reception and representation expenses.

□ 1550

POINT OF ORDER

Mr. BERMAN. Mr. Chairman, I rise to make a point of order against the provisions contained in lines 14 through 22 on page 67.

Mr. Chairman, lines 14 through 22 on page 67 would provide an appropriation which is unauthorized in law at this time, and thus constitutes a violation of clause 2(a) of rule XXI of the House which prohibits unauthorized appropriations in general appropriation bills.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. SMITH of Iowa. Mr. Chairman, I will concede the point of order. It is not authorized, so I will have to concede the point of order.

The CHAIRMAN (Mr. BROWN of California). The gentleman concedes the point of order. The Chair upholds the point of order, and the lines will be stricken.

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

Mr. Chairman, let me make it clear what the point of order that was just raised is all about, which is an attempt to deflect the opportunity for this House to debate an amendment to cut 15 percent out of the operating budget of the Bureau of International Broadcasting, which includes Radio Liberty and Radio Free Europe.

Since the Soviet Union fell in August 1991 we have spent \$650 million in U.S. taxpayer dollars telling the individuals who lived under Communist rule what they have already learned from living for 69 years of occupation under Communist rule.

I understand that Mr. Mica, the new chairman, and Mr. Forbes, the former chairman of the Board of International Broadcasting, have a very intelligent, thoughtful plan to consolidate these operations with Voice of America, saving millions of dollars over the next few years. But let me suggest to this House that this is a town where everybody has a plan to save millions of dollars at some point in the future.

Is there a necessity in these days for Radio Free Europe and Radio Liberty? Perhaps. There certainly may be an application in Bosnia where the Government controls virtually all of the media and it is impossible to get any conflicting views. But is it really necessary in this day and age to broadcast in Prague and Czechoslovakia when you can turn on the television in any hotel room to Cable News Network. Or does it make sense to broadcast in this day and age in Afghanistan at a time when there is no longer an Afghan civil war?

I understand the suggestion that what we are going to do at some point is shift resources to Asia and reconsolidate the mission. But I think this is a perfect example of a government agency which has done its mission well and it is now time to dismantle it.

Research across the world has shown a couple of things. And one key point I would like to make in terms of international broadcasting is that given the choice, occupants anywhere in this world will watch television first. Second, they will listen to broad band radio, AM/FM as here in the United States, and the last choice will be shortwave radio. And as the media begins to proliferate across the former Soviet Union and across what was once beyond the Iron Curtain in Eastern Europe, and television stations appear and radio stations appear, it simply indicates that Radio Free Europe and Radio Liberty are not needed in the same way or to be funded at the same kind of levels they have been for the last 25 years.

Is there still a mission? Absolutely. That is why this amendment would not strike funding altogether.

Is there a need to cut back when we have a \$400 million deficit in this country? Absolutely.

And I respect the gentleman from California's position to try to save Radio Free Europe and Radio Liberty in order to allow the consolidation proposal to take place. But the great disappointment I have today is that if we are going to see a consolidation that the Members of the House do not have an opportunity to guarantee that it happens with a 15-percent reduction.

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

Mr. Chairman, I commend the gentleman from California [Mr. BERMAN] for raising this point of order. Removing this appropriation for the Board for International Broadcasting is the most appropriate decision at this time and should be viewed as a positive move for the future of our international broadcasting.

I support the continuation of international broadcasting because of the significant contribution it makes to the goals of democracy and because it is an efficient means to foster free and fair press.

However, the House and Senate Foreign Affairs Committees are currently considering legislation to consolidate all of our international broadcasting—to include services provided through the Bureau of International Broadcasting to Radio Free Europe/Radio Liberty.

Since we are revising the organizational structure of international broadcasting, I support Mr. BERMAN's effort to preserve the resource decisions for BIB and RFE/RL pending the outcome of the consolidation legislation that will be incorporated in conference on the Department of State and USIA authorization bill.

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

Mr. Chairman, just to explain a little further, the gentleman from Wisconsin [Mr. KLUG] accurately characterized my position as one of seeking to save the BIB appropriation as part of allowing the consolidation envisioned in the administration's plan to take effect. And while it may be the most used argument in the world that we are spending money in order to save money, once in a while even that argument is an accurate one, and in this particular case it is.

The ability to rationalize existing services, maintain surrogate radio, and I would suggest we might well wait 3 or 4 years before we proclaim the victory of democracy in all of the countries focused on by Radio Free Europe and Radio Liberty and recognize their critical role in helping to consolidate those democracies, but I believe this consolidation effort, this rationalization of our limited resources will be dramatically impeded if we face a major slash in the appropriation level. For that reason, I sought to protect it with my point of order.

I might point out that Radio Free Asia, a new initiative by the adminis-

tration, is contained in this appropriation level, and that had an amendment been proposed and adopted it would have had a massive impact on our ability to start Radio Free Asia as well.

In addition, we have a major task to perform in the former Yugoslavia and republics of the former Yugoslavia where we want to see RFE and RL again broadcasting there. This consolidation will not occur overnight. We will have a chance to debate the consolidation as I expect it will be coming back in conference reports in both the authorization and the appropriation process. And I think it is very important at this critical time that we maintain our commitment to surrogate radios, to independent radio that I think played an important part in our public diplomacy during the cold war, and now plays a critical part in our promotion of democracy throughout the world.

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

Mr. Chairman, I very much regret that the point of order raised by the gentleman from California was occasioned by the amendment that the gentleman from Wisconsin would have offered. I have the highest regard for the gentleman from Wisconsin, for his intelligence and perception and understanding of the issues. But I believe, very frankly, that the amendment he planned to offer would have been extremely shortsighted and counterproductive.

It would have slashed the funds for the Board for International Broadcasting, one of the very best Government-funded programs that we have in this country. A great deal of the credit for ending Soviet communism and the domination of Eastern Europe by Soviet-backed, Communist governments has to go to the Board for International Broadcasting through its two service radios, Radio Free Europe and Radio Liberty.

We like to think that after years and years of authoritarian rule that people will simply understand immediately what democracy, human rights, and the rule of law is all about. But if we believe that we are fooling ourselves and no one else. It takes time to develop the institutions of freedom. It takes a commitment to doing so by those outside like ourselves who know that it is to our best advantage that democracies exist around the world. We have an obligation to assist people living in countries where formerly they were ruled by authoritarian governments, and we must put out resources and our commitment to seeing that democratic institutions do survive in their incipient phase and become established on soil that had not been hospitable to them before.

With all due respect, I might say to the gentleman from Wisconsin, what you see on a hotel room television set

is not necessarily what is being seen by the people in the countryside who do not understand what elections are all about, what an independent judiciary means, and what the rule of law means to them and their rights as opposed to their government.

□ 1600

I believe very strongly that the best money we spend, the most effective, productive, cost-effective money we spend is for our surrogate broadcasting services. We are now at the point, Mr. Chairman, of looking at the reorganization of all of our international broadcasting services, and we are working toward the establishment of a more efficient, effective means of getting our messages broadcast to listeners across the globe. In addition, we are going to expand our surrogate radios to beam a message of truth to the oppressed billions in Asia, countries such as China, Vietnam, Cambodia, Burma, North Korea, and Tibet, places where freedom is unknown, places where the institutions that we value, that our society is based upon, have no understanding. This mission to expand our surrogate services to Asia has got to be established under an institution that enjoys the same kind of independence as the Board for International Broadcasting.

It would be a travesty if the United States does not make that commitment to begin those broadcasts to Asia and penetrate those societies with the same message of freedom that we send to Eastern Europe and to the former Soviet Union.

And so I respect my colleague, the gentleman from Wisconsin, a great deal. I do believe that the amendment he would have offered would have been harmful in the extreme. I would not like to see a message sent to the other body that this body does not fully support the Board for International Broadcasting, especially during a time when we will be consolidating all of our international broadcasting services.

I support very strongly the establishment of Radio Free Asia, or Asian Democracy Radio, as it may be called. Once established, this service will continue the fine traditions started by Radio Free Europe and Radio Liberty of promoting our values abroad in a most cost-effective way, and I regret that this point of order was occasioned by the cutting amendment that the gentleman would have offered.

Mr. KLUG. Mr. Chairman, will the gentlemen yield?

Mr. PORTER. I am happy to yield to the gentleman from Wisconsin.

Mr. KLUG. Mr. Chairman, I just wanted to make two quick points.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. PORTER] has expired.

(By unanimous consent, Mr. PORTER was allowed to proceed for 2 additional minutes.)

Mr. KLUG. Mr. Chairman, if the gentleman will yield further, first of all, this is not just my wild idea. Again, what the chairman said of the Presidential Commission on International Broadcasting, focusing half the Government's transmitters on Eastern Europe and the western part of the former Soviet Union was logical once but it does not make sense now. Neither does the Government's spending 17 times on radio what it spends on television.

RFE and RL serve the country well, but with political changes, their programs increasingly resemble those of the Voice of America.

For example, the Voice of America broadcasts in 6 of 12 languages broadcast by Radio Liberty, and incredibly 100 percent, 9 of the 9 languages broadcast by Radio Free Europe.

The phaseout should not happen overnight, but it should happen. The taxpayers do not need to fund this duplication.

I share the enthusiasm of my colleague, the gentleman from Illinois, for the program itself, but again, what my amendment did was not eliminate either service. It simply cut 15 percent, or \$32 million, out of an operating budget next year of \$214 million.

I understand that consolidation is under way, but back to my initial point that this is a town and a community where everybody has got to plan to save money 3 years from now.

Mr. PORTER. Reclaiming my time, let me say to the gentleman one thing, and I want to make this absolutely clear. The mission of the Voice of America is an entirely different mission that the mission of the surrogate radios. The purpose of the Voice of America is to broadcast to other countries what our society is all about. That is a very important mission, indeed, but it is not what surrogate radios do.

Surrogate radios provide free information, the truth, within societies where the truth is either not readily available or censored by the government. It is a truth about their own societies and the rest of the news of the world, not about what is good about America. They are very different missions, and they should be very carefully defined in the future.

Ms. PELOSI. Mr. Chairman, I rise today in opposition to the proposed Klug amendment to cut Board for International Broadcasting funding for Radio Free Europe and Radio Liberty.

Some of our colleagues argue that these important broadcasting services are no longer necessary because the cold war is over. The cold war may be over, but the transition to democratic societies and market economies is not. Transitions are not easy and they do not happen overnight. Every day we hear new stories of ethnic conflict and unrest in the republics of the former Soviet Union.

Radio Free Europe and Radio Liberty provide an important independent voice promot-

ing freedom and democracy in a tumultuous region undergoing fundamental change. They provide a voice of reason at a time and in a place where frustration and uncertainty are high. The transition has not yet been successfully made and the need for the voices of democracy continues.

We have spent over \$82,000 per family in this country on defense expenses to fight the cold war. Now that it is over, we can start cutting back on expenses related to it. Let us make sure, however, that our spending reductions are in the right place at the right time. Radio Free Europe and Radio Liberty have been effective programs to promote democracy. Until we are sure that the transition to democracy and market economies has been successfully made, we should continue to support programs that will facilitate it. I urge my colleagues to vote "no" on the Klug amendment.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

ISRAEL RELAY STATION
(RESCISSION)

Of the available funds under this heading, \$180,000,000 are rescinded.

COMMISSION FOR THE PRESERVATION OF
AMERICA'S HERITAGE ABROAD
SALARIES AND EXPENSES

For expenses for the Commission for the Preservation of America's Heritage Abroad, \$200,000 as authorized by Public Law 99-83, section 1303.

INTERNATIONAL TRADE COMMISSION
SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$2,500 for official reception and representation expenses, \$44,391,000, to remain available until expended.

JAPAN-UNITED STATES FRIENDSHIP
COMMISSION

JAPAN-UNITED STATES FRIENDSHIP TRUST FUND
For expenses of the Japan-United States Friendship Commission as authorized by Public Law 94-118, as amended, from the interest earned on the Japan-United States Friendship Trust Fund, \$1,250,000; and an amount of Japanese currency not to exceed the equivalent of \$1,420,000 based on exchange rates at the time of payment of such amounts as authorized by Public Law 94-118.

UNITED STATES INFORMATION AGENCY
SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the United States Information Agency, as authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1431 et seq.) and Reorganization Plan No. 2 of 1977 (91 Stat. 1636), to carry out international communication, educational and cultural activities; and to carry out related activities authorized by law, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by 22 U.S.C. 1471, and entertainment, including official receptions, within the United States, not to exceed \$25,000 as authorized by 22 U.S.C. 1474(3); \$730,000,000: *Provided*, That not to exceed \$1,400,000 may be used for representation abroad as authorized by 22 U.S.C. 1452 and 4085: *Provided further*, That not to exceed \$1,200,000 of the

amounts allocated by the United States Information Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2452(a)(3)), shall remain available until expended: *Provided further*, That *Provided further*, That not to exceed \$7,615,000 to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, library, motion pictures, radio, television, and publication programs as authorized by section 810 of the United States Information and Educational Exchange Act of 1948, as amended.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App. 3), and in accordance with the provisions of 31 U.S.C. 1105(a)(25), \$4,247,000.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of Fulbright, International Visitor, Humphrey Fellowship, Citizen Exchange, Congress-Bundestag Exchange, and other exchange programs, as authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), and Reorganization Plan No. 2 of 1977 (91 Stat. 1636), \$217,650,000, to remain available until expended as authorized by 22 U.S.C. 2455.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM TRUST FUND

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated to be derived from interest and earnings from the Eisenhower Exchange Fellowship Program Trust Fund as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204-05), \$300,000, to remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A-110 (Uniform Administrative Requirements) and A-122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services.

ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, 1994, to remain available until expended.

RADIO CONSTRUCTION

For an additional amount for the purchase, rent, construction, and improvement of facilities for radio transmission and reception and purchase and installation of necessary equipment for radio transmission and reception as authorized by 22 U.S.C. 1471, \$75,164,000, to remain available until expended as authorized by 22 U.S.C. 1477b(a).

EAST-WEST CENTER

To enable the Director of the United States Information Agency to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960 (22 U.S.C. 2054-2057), by grant to the Center for Cultural and Technical Interchange Between East and

West in the State of Hawaii, \$23,000,000: *Provided*, That none of the funds appropriated herein shall be used to pay any salary, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376.

NORTH/SOUTH CENTER

To enable the Director of the United States Information Agency to provide for carrying out the provisions of the North/South Center Act of 1991, (22 U.S.C. 2075), by grant to an educational institution in Florida known as the North/South Center, \$8,000,000, to remain available until expended.

Mr. SMITH of Iowa (during the reading). Mr. Chairman, I ask unanimous consent that the bill through page 72, line 26, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request by the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$17,500,000, to remain available until expended.

POINT OF ORDER

Mr. BERMAN. Mr. Chairman, I have a point of order.

I rise to make a point of order against the provision contained in lines 1 through 5 on page 73.

Lines 1 through 5 on page 73, Mr. Chairman, would provide an appropriation which is unauthorized in law at this time, and thus constitutes a violation of clause 2(a) of rule XXI of the House which prohibits unauthorized appropriations in general appropriation bills.

Mr. SMITH of Iowa. Mr. Chairman, I agree it is not authorized, and I will have to concede the point of order.

The CHAIRMAN (Mr. BROWN of California). The point of order is conceded, and the Chair sustains the point of order.

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

Mr. Chairman, I rise because I did not have the opportunity to make the motion to strike these funds although it is appropriate.

What is involved in lines 1 through 5 on page 73 is the remaining funding for the National Endowment for Democracy.

I rise today to oppose the pressure that is being exerted in this town, within the beltway, to be certain that National Endowment for Democracy does not die.

Mr. Chairman, following the vote on the amendment offered by myself and our colleague from Connecticut, Mr. SHAYS, which eliminated the Federal earmark for [NED] the National Endowment for Democracy has gone to

the well, if you will; to the patriarchs of the Republican Party, the patriarchs of the Democratic Party, the leaders of the U.S. Chamber of Commerce, and the AFL-CIO. Everyone has joined together to be certain that National Endowment for Democracy is funded in the conference report on this bill when it comes back from the Senate so that the Endowment will not die.

Since the June 22 vote, the extremes of our newspaper columnists in America have written on this, from extreme liberal to extreme conservative. They have joined together and have found common ground in their support of the National Endowment for Democracy.

Of course, I understand that people of diverse views and philosophies can join together and support something, but I would suspect that our effort to terminate the National Endowment for Democracy has struck a real chord. The chord is the same message that my friends on the other side of the aisle have been talking about during earlier debate on this bill: nothing ever dies in this town. Regardless of whether a program is a \$1 million expenditure or a \$500 million expenditure, someone always has reasons to prove it should go on and live forever.

The truth of the matter is all of these programs may in some measure do some good, but we must ask ourselves "can we afford them?"

In addition to my philosophical and fiscal accountability concerns about National Endowment for Democracy, which were discussed in depth during the June 22 debate, I must answer my constituents when they ask "How can America today, with \$300 billion in deficits, continue to finance the economic, social, and political benefits of all the people of the world and not provide for the economic, social, and political benefits of the American people here at home."

Just today Mr. Chairman, the last shoe manufacturing plant in my hometown of 10,000 people, Nanticoke, announced that it is closing. One hundred and seventy-five people in the shoemaking industry are losing their jobs because of foreign competition; competition from Asia and primarily China.

Yet here we are spending hundreds of millions of taxpayers' dollars so that the Chinese can hear the great American message from the United States. We are using my shoemakers' dollars to let the Chinese know that democracy is a great institution, and that we want them to join us. Not only will we pay for them to hear how great we are, as well as the benefits of freedom and individual rights, but they can enjoy this message while they produce shoes with prison labor. These shoes are the same shoes that are going to cause the unemployment of 175 workers in Nanticoke, and across America.

These same America workers who on April 15 were asked to pay their taxes

so that this Congress can go back and continue to spend money on programs such as the National Endowment for Democracy, Radio Free Europe, and countless others.

Mr. Chairman, I just hope that when the authorizing subcommittee chairman, the gentleman from California [Mr. BERMAN], and the Appropriations subcommittee chairman, Mr. SMITH of Iowa, go off to conference and make a hell-bent effort to fund the National Endowment for Democracy against the wishes of the majority of the Members of this House, that they will remember there ought to be a domestic Endowment for Democracy here in the United States. There ought to be some program to take care of the 175 workers in my hometown that just lost their jobs after 25 years to foreign competition.

I cannot go home and explain to them how this Congress can spend \$50 million for the National Endowment for Democracy but not \$1 for domestic economic development at home. We have a deficit, and we cannot afford it.

Mr. Chairman, I have not had the opportunity during this debate to address the other concerns I have about the National Endowment for Democracy. For this reason, I would like to submit a written statement I had prepared earlier on the subject of National Endowment for Democracy with our colleague from Connecticut, Mr. SHAYS.

WHEN SPECIAL INTERESTS GROUPS CONDUCT AMERICAN FOREIGN POLICY

How many Americans are aware that arms of the national Democratic party, the national Republican party, the AFL-CIO, and the U.S. Chamber of Commerce receive millions of taxpayers' dollars annually to develop and carry out their own version of American foreign policy? Not many, we would guess, as these private groups are not usually considered to be the choice of the American taxpayer to carry out American foreign policy.

Yet through the National Endowment for Democracy, [NED], that is exactly what happens. National Endowment for Democracy is a private organization whose sole job is to take taxpayers' funds and dole the majority of them out to these four major interests groups so that they can promote democracy—and their own agendas—abroad. Since 1984 National Endowment for Democracy has received several hundreds of millions of dollars from the Federal coffers.

We object to the premise that these four groups have a better understanding of how the American taxpayer wants to spend their hard-earned money than either the Congress or the administration, both of which are accountable to the people.

For this reason, we recently offered an amendment on the House floor to eliminate National Endowment for Democracy's annual earmark, not the organization itself. Our amendment passed by a margin of 243 to 181.

Since then much has been written about the vote; people have speculated as to the motives for the amendment, why it passed by such an overwhelming margin, and why anyone would be "against" global democracy.

To set the record straight, we support a progressive foreign policy as well as American assistance abroad to ensure that democracy and human rights are upheld, protected, and promoted. In fact, we would probably support many of the projects funded by National Endowment for Democracy if they were developed and overseen by an established government agency charged with conducting American foreign policy. However we reject the current practice of giving taxpayers' money to four of the biggest, most powerful special interest groups in Washington. We do not believe that the framers of the Constitution intended for our Nation's foreign policy to operate this way.

We do not dispute that some of the projects funded by National Endowment for Democracy have been beneficial in the world-wide struggle for democracy. But with an annual budget of just over \$30 million this year, we reject the notion that National Endowment for Democracy was responsible for the fall of the Berlin Wall or the breakup of the Soviet bloc.

In addition, National Endowment for Democracy has also funded a number of questionable projects. Through National Endowment for Democracy American taxpayers' dollars have gone to labor unions in France and to the opposition party to then-President Oscar Arias in Costa Rica. Both France and Costa Rica have been democracies for more than 100 years.

Furthermore, because National Endowment for Democracy is not accountable to Congress or the President there have been instances in which National Endowment for Democracy-funded projects appear to be contradictory to American foreign policy. An example occurred in Korea in 1989, where National Endowment for Democracy moneys assisted the Federation of Korean Trade Unions [FKTU] in increasing its ability to influence government policies. This occurred 1 year after the State Department commended the Korean government for breaking the FKTU's monopoly by allowing other unions to register.

In another instance, National Endowment for Democracy money was used in Panama in the mid-1980's to support political events on behalf of Nicolas Ardito Barletta, a candidate for president. Mr. Ardito, the military-backed candidate, won by 1,713 votes in a fraud-ridden election over Arnulfo Arias, who was twice elected president only to be deposed by the military. When the U.S. ambassador discovered this expenditure of American funds he wired the State Department and, noting the existing United States policy of not meddling in Panama's politics, speculated about the likely embarrassment should this interference come to light. The Ambassador's cable concluded "Embassy requests this harebrained project be abandoned before it hits the fan."

It is the concept of federally funded projects "hitting the fan" that may have led many of the freshman Members of the House, as well as the majority of our House colleagues who have heard this debate before, to support the amendment. Members of Congress are right to hesitate to support an organization which has a history of funding dubious projects as well as fiscal mismanagement and abuse, a critical 1991 General Accounting Office report found an instance in which Federal money

was used to help obtain a car for use in a drug crime.

National Endowment for Democracy is an American foreign policy loose cannon which needs to be reined in. We agree there is a need to bolster fragile democracies abroad, but National Endowment for Democracy is not the proper vehicle. American taxpayers' dollars should be spent by the structures sanctioned by the Constitution, not private organizations with private agendas.

□ 1610

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

I will try to be brief. But I think the comments of the gentleman from Pennsylvania [Mr. KANJORSKI] deserve a response.

One can assume that Members of this body from the Democratic side of the aisle and from the Republican side of the aisle and the columnists from the liberal persuasion, and columnists from the conservative persuasion are involved in some conspiracy to feather the nests of party leaders and the bureaucracies of the chambers of commerce and organized labor in order to promote their own narrow special interests and to reward their friends; or one can assume that the issue underlying the National Endowment for Democracy is the belief that it is in the American workers' interests for pluralism, democracy and regard for human rights and peaceful resolution of disputes to take hold in the rest of the world because to the extent that, whether it is communism or totalitarianism under any other name, or terrorism or ethnic rivalries that blow over, pretty soon history tells us American interests are directly affected.

It was a cornerstone of this President's campaign that the promotion of democracy and of democratic values would be a cornerstone of our foreign policy. The National Endowment for Democracy is the major institution that exists; it has done that throughout its life, it has done excellent work in a variety of different areas, and I suggest to my friend from Pennsylvania that the testimony of support that is coming now from different columnists and from different people, from many different philosophical backgrounds, is a recognition of what they have done not just in Lithuania, Poland, or Czechoslovakia, but in Chile, Namibia, and the Philippines, and I can assure the gentleman that this particular Member will be hellbent to try and secure the funding, undo the decision the House made earlier in the year with respect to that funding.

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

Mr. BERMAN. I yield to the gentleman.

Mr. EMERSON. I thank the gentleman for yielding.

Mr. Chairman, I do not think anyone disputes that the National Endowment

for Democracy has done a lot of good things; that is not the question. The question is: Can we afford it? Is there no other vehicle by which these good works can be tried out? The private sector, the State Department?

The gentleman from California [Mr. BERMAN] will remember our former colleague here, the gentleman from the Ozarks, Mr. Taylor. He had a little test he put to every piece of legislation that came before us. That test was: Do we need it, and can we afford it? And if the answer to both those questions is "yes," we must then ask ourselves how was it we got along without it for so long?

I think that test is applicable here where we know we are in a time of great budgetary constraints. It seems this is nonessential spending.

Mr. BERMAN. Reclaiming my time, I think the question is: Can we afford not to do it?

I think all one has to do is to study the history of the 20th century when America decided that its engagements abroad were either too expensive or too difficult or too complicated or too controversial, and sought to withdraw within its own borders and tried to divide the world up into the United States and this domestic affairs, versus what is going on in the rest of the world, and thought that we could somehow escape.

The clear history leading up to World War II indicates the follies of isolationism as a general policy.

I do not support the National Endowment for Democracy because it is a nice thing and I wish it on the rest of the world. I support it because I believe its development, its promotion is vitally in America's interest from an economic and from a national security point of view.

We have spent trillions of dollars in the cold war. We are talking about an infinitesimal percentage of those expenditures to try to deal with the controversies around the world, whether they were Communist in nature or other kinds of antidemocratic forces, because inexorably history tells us if we do not deal with them and try to get ahead of the curve in this area, we will be facing far more difficult and larger expenditures from our own taxpayers, our own people, their fortunes and their lives by ignoring all of this.

So it is a question of how you feel about what our role in the world should be at this very exciting but difficult time of transition. I think there is a role for it.

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

Mr. Chairman, I rise to respectfully disagree with the gentleman from Pennsylvania [Mr. KANJORSKI] in attempting to eliminate NED. The National Endowment for Democracy has been providing an invaluable means to promote democracy throughout the

world, and it is extremely shortsighted to zero out funding for such a worthy organization.

I submit we need to support the capability for a rapid response to the unforeseen needs that arise in the emerging democracies. Government agencies alone cannot provide the kind of quick responses that NED and its grantees have exhibited in a number of important programs around the world. Our national interests are best served by building democratic institutions, and NED has been a vital tool in implementing this key foreign policy objective.

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

Mr. Chairman, I strongly, prayerfully urge that we do not dissolve the National Endowment for Democracy. And I suggest to my good friend from Pennsylvania that he has provided us with some false alternatives. It is called in logic the fallacy of the false alternative; we cannot take care of our problems at home if we are spending money overseas.

That may or may not be a sound, general proposition, but there are some expenditures that are in our national interest. We have troops over in Somalia, we have troops over in Macedonia, and there are many areas where trouble spots exist. It is imperative that the world calm down.

The cold war has been supplanted by a hundred smaller hot wars, whether they are in Azerbaijan, Armenia, whether in former Yugoslavia, whether in still-explosive Afghanistan; all over the globe you see slaughter and killing.

This world needs democracy. There is an agency that privatizes the selling of democracy. This agency is not a part of Government. There are places in the world where the Government cannot get in, where suspicions exist if you are an official member of the Government.

But when you can get the essential elements of the American economy—management, labor—working together in a common cause, where you can get the Democratic Party and the Republican Party working with management and labor in a common cause and that cause is democracy, it is an incredible self-defeating notion that we would turn our backs on this most useful agency selling the most important product, world peace through democracy, in the world today.

And so I urge that we continue this grand idea that has worked so well in Poland, in Central Europe, in so many places. Now, if indeed they have made mistakes, if some expenditures have been unwise, then, fine, let us exercise oversight over them. We have the staff, we have the Members of Congress willing to do so.

But do not, do not extirpate this agency that does so much good in the cause of peace, in the cause of showing

countries practically from the private sector how democracy works and what it can mean for their country, what the free enterprise system can do to lift their standards of living, to prevent the conflicts and the wars that are bleeding the world to death.

□ 1620

So please, I ask that you look at this expenditure as a wise one, as a beneficent one, as one that moves the world toward peace and democracy.

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

Mr. HYDE. I yield to my friend, the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, does the gentleman from Illinois suggest when he is having his town meetings and talking to his constituents that the only way we can privatize and sell democracy in America is by giving the Republican Party and the Democratic Party and the AFL-CIO and the United States Chamber of Commerce millions and millions of taxpayer dollars every year, going up to \$50 million this year, that this is the only way democracy can be spent, or are there institutions within the Government and is not the National Endowment for Democracy capable of doing this?

Mr. HYDE. The gentleman has made his point. I just do not agree with it.

It is not the only way, but it is an excellent way.

Republicans and Democrats, what is anathema about them? These are the people of America. If you want to put some independence in there, do it, but management and labor are the heart and soul of the best economy, the most productive economy, the one that has provided this country with the highest standard of living in history, and we want to show people in the world how it can work, how we can work together.

To me there is nothing more imperative. It is not us against them.

What happens in Central Europe, in Africa, in Asia, can touch this country increasingly day by day; and I suggest to the gentleman that it is a false dichotomy that says whatever we spend in trying to democratize the world is money we cannot spend at home. It may well be the best investment that we can make if it forestalls a war, if it provides a growing standard of living for the people over there crying out for technological assistance, for help, for example, from management, from labor, from Republicans and Democrats.

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

Mr. Chairman, I am here because I was listening to this debate, and seeing my colleague, the gentleman from Pennsylvania [Mr. KANJORSKI] respond to comments on the floor, and I just did not want to see him be by himself on this issue.

There have been many issues I have been involved in where I received a lot

of accolades and public support, and people have said, "What a great thing you are doing."

On this one, I have noticed there are people I respect who want to continue to support NED. It may not be a popular position to oppose NED, because the name has such meaning, and as my colleague, the gentleman from Illinois points out, we do want to export democracy and we do want countries from overseas to emulate what we do here. We think the world would be a better place.

The question is, is it proper? Is it right? In fact, is it even moral to fund NED through the Republican and Democratic political structure, to fund NED through the head of the AFL-CIO and the U.S. Chamber of Commerce? I think it is wrong. I think it is an inherently corrupt system.

I have personal experience, and admittedly going back a few years, that tells me the system leads itself to things that should not happen.

An individual in my State took a particular political position that the Republicans wanted to reward him. He finds himself on a trip, admittedly a few years ago, funded by NED, going throughout the European nations.

There have been consistent reports by the GAO that point out that funds provided for NED have not gone to the places they should have. There have been organizations that have said they never received the funds.

I do not in any way oppose the concept of NED. I oppose the concept of this money being channeled through the Republican Party, admittedly through a separate institute, or the Democratic Party, admittedly through a separate entity, or the AFL-CIO, because in all four cases they are controlled, in my judgment, by the leadership of those organizations, organizations if the AFL-CIO and the National Chamber of Commerce lobby this Congress and political leaders that we have to deal with who control our parties. I just think it is wrong.

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

Mr. SHAYS. I am happy to yield to the gentleman from Illinois.

Mr. HYDE. I will say to the gentleman, Mr. Chairman, that he has a faith in bureaucrats that I admire. I stand in awe.

I personally prefer to have people from organized labor and organized management.

The fact that you are a Republican or a Democrat, as long as you are a private citizen and you are selling the product of democracy by example and showing these people how we can work together, I cannot imagine that it is a bad idea.

Mr. SHAYS. No, it is not a bad idea, Republicans and Democrats working together, but not through the Republican Party and the Democratic Party,

labor working through management, but not through their particular structures that lobby us every day of the year. That is where I have my problem. I do not have any problem with the intent of NED. I have my problem with the structure of NED.

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

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

RADIO BROADCASTING TO CUBA

For expenses necessary to enable the United States Information Agency to carry out the Radio Broadcasting to Cuba Act, as amended (22 U.S.C. 1465 et seq.) (providing for the Radio Marti Program or Cuba Service of the Voice of America), including the purchase, rent, construction, and improvement of facilities for radio transmission and reception and purchase and installation of necessary equipment for radio transmission and reception as authorized by 22 U.S.C. 1471, \$8,750,000, to remain available until expended as authorized by 22 U.S.C. 1477b(a).

POINT OF ORDER

Mr. SKAGGS. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SKAGGS. Mr. Chairman, I make a point of order that the provisions of the bill, including lines 6 through 16 on page 73, are in violation of rule XXI, clause 2, in that they appropriate funds for a program which is not otherwise authorized.

The CHAIRMAN. Does the gentleman from Iowa, the subcommittee chairman, desire to be heard on the point of order?

Mr. SMITH of Iowa. Mr. Chairman, I concede that the program is not authorized, and would have to concede the point of order.

The CHAIRMAN (Mr. BROWN of California). The gentleman from Iowa concedes the point of order. The point of order is sustained, and the language will be stricken.

The Clerk will read.

The Clerk read as follows:

This title may be cited as the "Department of State and Related Agencies Appropriations Act, 1994".

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. 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. 603. 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. 604. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of

each provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 605. (a) None of the funds provided under this Act or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act shall be available for the agencies obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees;

(b) None of the funds provided under this Act or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 per centum, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 per centum funding for any existing program, project, or activity, or numbers of personnel by 10 per centum as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress, unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

AMENDMENT OFFERED BY MR. TRAFICANT

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

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of the bill, add the following new sections:

SEC. . SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, to the extent feasible, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Head of the agency shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, we would do a lot more to export democracy around the world if we would export a few more American-made products. If Congress would take more seriously the procurement process whereby our taxpayer dollars are used many times to buy all these foreign-made goods, we might be able to do a better job of balancing our budget.

I would just like to say this for the RECORD on this amendment. I have been getting some mail relative to this issue. I had a very interesting letter asking me if in fact there was ever one instance, one instance where Germany in fact awarded a contract to an American firm?

If anybody has that, I will leave the RECORD open. They can submit it.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the chairman of the committee.

Mr. SMITH of Iowa. Well, Mr. Chairman, all I can say is that essentially the same amendment was carried last year. For that reason, I am not going to make any big deal out of it.

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

Mr. TRAFICANT. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, we have looked at the amendment and have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. EMERSON

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

The Clerk read as follows:

Amendment offered by Mr. EMERSON: Page 75, after line 19, insert the following new section:

SEC. 606. Hereafter, each public ceremony for the admission of new citizens under section 337 of the Immigration and Nationality Act (8 U.S.C. 1448) shall be conducted solely in the English language.

POINT OF ORDER

Mr. SMITH of Iowa. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. SMITH] reserves a point of order on the amendment.

□ 1630

The gentleman from Missouri [Mr. EMERSON] is recognized for 5 minutes in support of his amendment.

Mr. EMERSON. Mr. Chairman, I was astounded to learn that in Tucson, AZ, on July 2, the Immigration and Naturalization Service swore in 75 immigrants in Spanish—yes, they were sworn in as United States citizens, not in English, but in Spanish. United States District Judge Alfredo Marquez, the judge who conducted the ceremony, is quoted as saying, "Even though the new citizens can speak and understand English, the ceremony is more meaningful to them in Spanish."

Mr. Chairman, when an individual leaves his or her native homeland and comes to America, that individual is taking new steps. The swearing-in ceremony is the beginning of a new life as an American. Taking the oath in English ought to be more meaningful—the language signals a new day, a new way

of life, and a new bond with the other citizens of our country.

Americans are a diverse lot; nearly 150 languages are spoken in this country, and English is the common bond for us all. The citizenship ceremony should emphasize the things that unite us, not those which divide us into ethnic and linguistic subgroups.

The INS should know better. I am therefore offering an amendment which would prohibit the INS from conducting citizenship swearing-in ceremonies in languages other than English.

America's ability to unite those of differing backgrounds—"out of many, one"—is her greatest strength. I am concerned, however, that that strength is waning. We've focused so much on the many that we're forgetting about the one.

The face of America—of that "one"—is changing. Change can be good. But as we all know, change—for better or for worse—can be traumatic. It's tough on those who come here, and it's tough on those who are already here. One essential element of that process of change—an element that could well determine our ultimate success or failure—is communication. Human nature often leads us to resist and fear those who are different from ourselves. Unless we can communicate with each other, we cannot begin to understand each other. We will not be able to communicate with each other unless we share a common tongue.

The English language is our common bond. By conducting the citizenship ceremony in a language other than English, the INS is sending the wrong message. I urge my colleagues to support this amendment.

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

Mr. EMERSON. I yield to the distinguished gentleman from Kentucky [Mr. ROGERS], the ranking member of the subcommittee.

Mr. ROGERS. Mr. Chairman, unfortunately it sounds like the amendment offered by the gentleman from Missouri [Mr. EMERSON] will be ruled out of order. The Chair will rule in a few minutes, and I assume that is what will happen. But let me commend the gentleman for bringing this matter to the Members' attention.

Mr. Chairman, I share the gentleman's views, and I want to associate myself with his remarks. I think he made a very important point. Our common language, English, is the glue that holds this great country together, and, if we have the official U.S. Government saying to new citizens of this country that it is OK never to develop the common tongue, then we are doing those people a disservice, as well as the rest of us, and I commend the gentleman.

Mr. EMERSON. Precisely, and I thank the gentleman from Kentucky [Mr. ROGERS] for his contribution.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, this is strictly a legislative matter. It proposes to change existing law and imposes additional duties, modifies existing powers and duties, and it is operative beyond the 1994 fiscal year. So, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Missouri [Mr. EMERSON] desire to be heard on the point of order?

Mr. EMERSON. No, I concede the point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri concedes the point of order, the Chair upholds the point of order, and the amendment is ruled out of order.

AMENDMENT OFFERED BY MR. FIELDS OF TEXAS

Mr. FIELDS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FIELDS of Texas: Page 75, after line 19, insert the following new section.

SEC. 606. None of the funds made available in this Act for "THE JUDICIARY—Courts of Appeals, District Courts, and Other Judicial Services—Defender services" may be used to provide assistance for the operation of death penalty resource centers.

Mr. SMITH of Iowa. Mr. Chairman, I reserve a point of order on the amendment offered by the gentleman from Texas [Mr. FIELDS].

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. FIELDS] for 5 minutes in support of his amendment.

Mr. FIELDS of Texas. Mr. Chairman, I am offering an amendment to prevent any funds in the defender services line item from being used for death penalty resource centers.

Death penalty resource centers are nonprofit entities that provide free, tax-payer financed legal assistance to death row prisoners seeking to overturn their convictions and their death sentences. The fiscal year 1994 request for death penalty resource centers is \$30.4 million; this for the operation of existing centers and the creation of additional centers.

My constituents do not want their hard-earned tax dollars used to pay for the endless legal appeals of murderers, rapists, drug kingpins, and others who are seeking to avoid the penalties to which they have been sentenced.

In my State of Texas, there have been numerous allegations against the Texas Resource Center. Those allegations have been lodged by various sources, including several district attorneys' offices across the State. Some of the allegations include charges that the center hired a public relations expert to handle public relations campaigns; that the center recruited witnesses in death row cases; and that the center pressured witnesses to perjure themselves. There have even been allegations—and evidence to support those allegations—that the center once posted bail for a witness who had been ordered arrested by the presiding judge in a capital case.

Funding for the centers is authorized by Congress and coordinated through the administrative offices of the U.S. courts. Some centers receive additional funding from a program of State bar associations. The centers are exempt from the Freedom of Information Act; and therefore, they are not as accountable to the public as I would like.

The serious allegations that have been lodged against the Texas Resource Center disturb me profoundly. Congress should restrict funding for death penalty resource centers until these serious allegations can be investigated and until proper oversight can be ensured.

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

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

POINT OF ORDER

Mr. SMITH of Iowa. Mr. Chairman, my point of order is that this is a limitation to a general appropriations bill offered during the reading of a general appropriations bill, and I insist on my point of order.

The CHAIRMAN. Does the gentleman from Texas [Mr. FIELDS] desire to be heard on the point of order?

Mr. FIELDS of Texas. Mr. Chairman, I regrettably concede the point of order.

The CHAIRMAN. The gentleman from Texas [Mr. FIELDS] concedes the point of order, the Chair upholds the point of order, and the amendment is ruled out of order.

The Clerk will read the last three lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994".

Mr. FARR. Mr. Chairman, I rise again today in opposition to the amendment previously offered by Representative WALKER. When I last addressed my colleagues on this amendment, I focused on the negative impact that it would have on the National Marine Sanctuaries Program, programs fostering our understanding of the relationship between land and sea, and our domestic fisheries fleet. Today, I wish also to discuss the severe impact that the amendment could have on our Nation's coasts.

The committee has spoken clearly on the need for a sufficient level of funding for the coastal and ocean programs under the National Oceanic and Atmospheric Administration [NOAA]. By stripping \$37.5 million from the NOAA marine, coastal and ocean, and Great Lakes programs, we would be severely undermining the National Marine Sanctuaries Program, the National Undersea Research Program, Coastal Zone Management nonpoint source pollution prevention, the National Sea Grant College Program, zebra mussel research and fisheries management.

Mr. Chairman, the Congress acted at long last in 1992 to designate the Monterey Bay National Marine Sanctuary with the distinct intention of preserving this pristine marine environment for future generations. Other ocean

areas have also been recently designated under the National Marine Sanctuary Program. This program hinges on adequate resources to help foster sound management practices.

Clearly, it is not in our interest to undermine our sanctuary areas further and open them to potential problems after the Congress has mandated their specific protection.

This amendment would also have the very negative impact of reducing already limited funding for coastal nonpoint pollution control and the management of our coastal resources. In 1972, the Congress enacted the Coastal Zone Management Act [CZMA] in an effort to protect the Nation's coastal resources and to ensure that these resources are wisely used. This monumental legislation balanced economic growth with resource protection.

While funding for CZMA has remained level over the last 12 years, the number of States participating has almost doubled. This has caused tremendous strain on the effectiveness of the act. Without sufficient funding for CZMA nonpoint pollution control, we put our coastal areas at tremendous and lasting risk.

I implore my colleagues to realize that adoption of this amendment would be to take a giant step backward for what has been done in previous years to make this country more aware of our oceans and the opportunities they provide by establishing protection and educational processes. Previous to this amendment, this bill allowed these priorities.

This amendment is not an exercise in fiscal responsibility, but an attempt to shift funding away from the modestly funded, yet desperately needed, ocean and coastal programs to the well-funded National Weather Service modernization. In fact, even without this amendment, the Weather Service modernization is getting a 28-percent increase over last year's appropriation. The nominal amount saved by this amendment will cause a tremendous increase in the future costs to protect the marine sanctuaries. Neglect of our sanctuaries and coastal areas now will result in our having to pay for cleanup costs in addition to management later.

Again, Mr. Chairman, I urge my colleagues to oppose this amendment and restore the level approved by the committee.

Mr. SAWYER. Mr. Chairman, I rise to comment on funding for the Bureau of the Census for fiscal year 1994.

I chair the Subcommittee on Census, Statistics and Postal Personnel of the Committee on Post Office and Civil Service. In that capacity, I have worked closely with Subcommittee Chairman NEAL SMITH and ranking minority member HAROLD ROGERS to ensure adequate financial resources for the Census Bureau's work. I am grateful for their attention over the years to the Bureau's complex, specialized, and sometimes esoteric programs.

Fiscal year 1994 is an important year in the planning cycle for the 2000 decennial census. The Census Bureau will have chosen one or two designs for testing in 1995. The 1995 test will determine those methods that hold the greatest promise to improve census-taking into the next century.

The success of that test will depend, in large measure, on adequate preparations in 1994. Those preparations include site selection, procurement of office and data process-

ing equipment, and final research on new census techniques. The Bureau also must develop technology to process census forms that are much more user-friendly than in the past.

H.R. 2519 includes \$15 million less for 2000 census research and planning than the administration had requested. The report accompanying the bill clearly sets forth the reason for that significant reduction in funding. Members are understandably frustrated by the outcome of the 1990 census. It cost twice as much as the census before it. But it was less accurate. It missed more people. It missed more minorities than the overall number of people missed in 1980.

The Appropriations Committee has sent a clear message. The primary concern for Members of Congress is the accuracy of the population numbers. Rapidly escalating costs for the census must be contained. And the Census Bureau must ensure that there is an important governmental purpose for the wide range of demographic data it has traditionally collected in the census. Those of us who work closely with the Census Bureau, and the larger Federal statistical system of which it is an integral part, are grateful for the guidance and direction that the committee has provided.

There is a consensus that we must do better in 2000. I'm convinced that we can. That is why I have supported a planning process that starts much earlier in the decade. The Census Bureau needs time to develop and test new methods that will help improve the accuracy of the population numbers, at a reasonable cost. It must explore ways to redistribute the burden of meeting the Nation's vast data needs onto other vehicles throughout the decade.

Progress toward an improved census process has been slow at times. I believe that the Census Bureau is committed to reform of that process. Unfortunately, its efforts to reach that goal have, at time, been cumbersome. The Appropriations Committee has been understandably frustrated by what might appear to be a lack of direction, or even commitment, on the part of the Bureau.

But 1994 presents a key opportunity for the Bureau to clarify its progress toward census reform, as it prepares to test promising new methods in 1995. Without the test, we cannot have much confidence in a range of complex and untried, yet promising, techniques for 2000. Worse yet, we might end up with the same census in 2000 that we took in 1990.

I look forward to working with Chairman SMITH, Congressman ROGERS, and other members of the Appropriations Committee as they prepare for conference with the Senate, to ensure that the Census Bureau has the financial resources it needs to achieve the mutual goal of a more accurate and cost-effective census in 2000.

Ms. WOOLSEY. Mr. Chairman, I rise today in strong support of H.R. 2519, Commerce, Justice, State appropriations for fiscal year 1994. I would like to express my great appreciation to Chairman SMITH for his hard work in crafting such a fine bill. In particular, I am supportive of the provisions to increase funding for the National Marine Sanctuary Program and Coastal Zone Management programs, essential programs which protect the coastline in California and across the Nation.

As the only Federal program specifically designed to protect our most outstanding marine areas, the National Marine Sanctuary Program is of crucial importance to our National's coastal regions. The enrollment of three new sanctuaries in the program in the past year is a testament to the program's importance and popularity. The sanctuaries off the coast of California make up the largest protected marine area in the world. However, the increase in number size and complexity of designated sanctuaries has strained the program's limited resources in recent years.

Next year, as a result of Chairman SMITH's decision to increase funding from \$7 to \$9 million, the National Marine Sanctuary Program will be better able to ensure that Congress' mandate of environmental protection for sensitive marine areas is responsible and effectively maintained.

I am pleased that this bill also increases funds for Coastal Zone Management programs. The district I represent, Marin and Sonoma counties in California, is famous for its beautiful coast. The Coastal Zone Management programs are vital to the health of my district's coasts as well as those of the Nation. With Federal funding in real dollars decreasing over the past 10 years, the Coastal Zone

In addition, this bill continues funding of the weather data buoys which provide fishermen with critical weather information. Generations of families have made their living fishing in the coastal waters off Marin and Sonoma Counties, and the weather buoys stationed in these waters are relied upon by the fishermen and their families to ensure safe and successful journeys.

Mr. Chairman, I strongly urge my colleagues to support the Commerce, State, Justice appropriations bill.

Mr. GOODLING. Mr. Chairman, I am extremely pleased the Commerce, Justice, State appropriations bill for fiscal year 1994 includes funding for the Juvenile Justice Delinquency Prevention Act and specifically for the Juvenile Mentoring Program.

As the author of this mentoring program, I soundly believe mentoring programs provide the necessary partnership between schools, public and private agencies, institutions and businesses, which can help make a difference in the lives of our Nation's at-risk youth.

It has been proven that a relationship exists between poor academic achievement, school completion, and juvenile delinquency. By using mentors to work with at-risk youth, as in the Juvenile Mentoring Program, we provide young people with the positive role models they need to lead successful lives. Mentors provide academic assistance and experience in the workplace as well as helping to develop positive interests and attitudes. The Juvenile Mentoring Program also provides better coordination between the youth's home, school, and residential facility and helps to ensure at-risk youth keep up with their classmates. This encourages them to stay in school once they return to their homes. By making this investment in young people, we help them to be assets to their communities rather than repeat offenders or gang members.

The \$2 million provided in H.R. 2519 by the Appropriations Committee will most certainly go a long way in helping our Nation's commu-

nities reduce juvenile delinquency. I appreciate the attention the Appropriations Committee has given to this important program and encourage schools to apply for and use this funding to develop mentoring programs for at-risk youth. I commend the committee for providing increases for the overall Juvenile Justice and Delinquency Prevention Act. This investment will pay for itself many times over in reduced costs for law enforcement, job training, and other social services. With juvenile crime on the rise in our country, particularly violent crime, it is of the utmost importance that we support the activities authorized under this law.

Ms. HARMAN. Mr. Chairman, at an earlier point in the debate on this bill, a point of order was sustained to delete funding for one of the lifelines for Americans who live in poverty.

As a young lawyer in the late 1960's and early 1970's, I witnessed the birth of the Legal Services Corporation and participated in its struggle for adequate funding.

Contrary to the claims of its critics, the LSC was never envisioned as—nor has it functioned as—a political effort to radicalize the poor. Rather, it has been the only chance for many Americans to have a shot at the basic tenet of our Constitution and system of law—equal justice.

Despite scant resources, the LSC has helped thousands over the years in critically important matters such as:

Wrongful tenant evictions—without the LSC there would be substantially more homelessness

Wrongful denial of Social Security benefits—often the sole income for the elderly

Discrimination in housing or employment based on psychiatric disability

Wrongful termination of parental rights which deprives children of the nurturing role of one or both parents.

All these issues affect families, and the LSC is one of the few pro-family advocates for Americans in poverty.

Yet, LSC funding and coverage have declined in today's dollars since 1981.

Here are how these decreases have affected California:

From 1980 to 1990, the number of legal services attorneys in California decreased 20 percent while the number of Californians eligible to receive legal assistance increased 34 percent.

The ratio of poor persons per legal services attorney during this same decade nearly doubled, from 5,727 in 1980 to 10,074 in 1990

California Rural Legal Assistance lost one third of its field staff in the 1980's, while poverty increased 50 percent in the program's client population.

In Los Angeles, the Legal Aid Foundation is facing the loss this year of \$1.1 million. Due to the severe funding cuts, thousands seeking legal assistance are turned down.

Mr. Chairman, these statistics are devastating. And behind the statistics are human beings: children, seniors, adults with disabilities, many of whom are striving to break out of the cycle of poverty.

As a member of the bar and a Member of the Congress of the United States, I view my obligation to help afford equal justice for all as central. Deleting LSC funding hinders that

goal. I urge restoration of LSC funding in the conference report, and approval of that request by the House.

Mr. COPPERSMITH. Mr. Chairman, at the request of the Chief Judge of the U.S. Bankruptcy Court in my State, I rise to support the Appropriations Committee for including in H.R. 2519, the Commerce, Justice, State appropriations bill, funds available for use for additional bankruptcy judgeships previously authorized in the 102d Congress. The committee has included in this bill \$16 million in the judiciary salaries and expenses account to cover the highest priority needs of the Federal judiciary. This particular appropriation could fund many of the bankruptcy judgeships authorized, but not funded, by the last Congress.

Adequate judicial resources on the Federal bankruptcy bench represent a small but important piece needed for our Nation's economic recovery. Adequate resources help both debtors get back on their feet and help creditors receive payment more quickly. Debtors and creditors, small and large businesses, labor and management, rural and urban Americans, and the economy as a whole, all depend on the swift and equitable handling of bankruptcy cases.

The judicial district of Arizona had a record year for bankruptcy filings in 1992. Last year, Arizona ranked 11th in the country in overall filings. Funding of these new bankruptcy judgeships should lead to a reduced backlog, quicker turnaround for individual cases, and ultimately a positive impact on our economy.

I thank the distinguished chairmen of the full committee and the subcommittee, as well as the members of the full committee and subcommittee, for recognizing this national need in this bill.

Mr. SMITH of Iowa. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The question was taken; and on a division (demanded by Mr. WALKER) there were ayes 9; noes 8.

So the motion to rise and report was agreed to.

□ 1640

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. BROWN of California, 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. 2519) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.
 The SPEAKER pro tempore. Is a separate vote demanded on any amendment?
 Mr. WALKER. Mr. Speaker, I demand a separate vote on the so-called Hunter amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment?

Mr. SMITH of Iowa. Mr. Speaker, I demand a separate vote on the so-called Penny amendment, as amended, which reduced SBA by \$21,870,000, and also on the so-called Walker amendment that had to do with reducing NOAA.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.
 The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:
 Amendment: Page 19, line 3, strike "\$999,000,000" and insert "\$1,059,000,000".

The SPEAKER pro tempore. The question is on the amendment.

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

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

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

The Sergeant at Arms will notify absent Members.

Pursuant to rule XV, votes on the two subsequent amendments, if ordered, will be reduced to a minimum of 5 minutes. Members are advised this is a 15-minute vote, which may be followed by two 5-minute votes, after which there may be further votes.

The vote was taken by electronic device, and there were—yeas 298, nays 129, not voting 7, as follows:

[Roll No. 342]

YEAS—298

Abercrombie	Blute	Collins (MI)
Ackerman	Boehert	Combest
Andrews (TX)	Boehner	Condit
Applegate	Bonilla	Cooper
Archer	Brewster	Coppersmith
Arney	Brooks	Cox
Bacchus (FL)	Bryant	Crapo
Bacchus (AL)	Bunning	Cunningham
Baker (CA)	Burton	Danner
Ballenger	Buyer	Darden
Barlow	Byrne	de la Garza
Barrett (NE)	Callahan	Deal
Bartlett	Calvert	DeLay
Barton	Camp	Derrick
Bateman	Canady	Deutsch
Becerra	Castle	Diaz-Balart
Beilenson	Chapman	Dickey
Bentley	Clay	Dingell
Bereuter	Clayton	Dixon
Berman	Clement	Doolittle
Bilbray	Clinger	Dornan
Bilirakis	Clyburn	Drier
Bishop	Coleman	Duncan
Blackwell	Collins (GA)	Edwards (CA)
Bliley	Collins (IL)	Emerson

Engel	Klecza	Rohrabacher
English (AZ)	Klug	Ros-Lehtinen
Eshoo	Knollenberg	Rose
Evans	Kolbe	Roth
Everett	Kopetski	Roukema
Ewing	Kyl	Rowland
Farr	LaFalce	Roybal-Allard
Fawell	Lancaster	Royce
Fazio	Lantos	Sanders
Fields (LA)	LaRocco	Sangmeister
Fields (TX)	Laughlin	Santorum
Filner	Lazio	Sarpalius
Fingerhut	Leach	Sawyer
Fish	Lehman	Saxton
Flake	Levin	Schaefer
Ford (MI)	Levy	Schenk
Fowler	Lewis (CA)	Schiff
Franks (CT)	Lewis (FL)	Schroeder
Franks (NJ)	Lewis (GA)	Schumer
Galleghy	Lightfoot	Scott
Gallo	Linder	Serrano
Gekas	Lipinski	Shaw
Gilchrest	Livingston	Shays
Gillmor	Long	Shepherd
Gilman	Machtley	Shuster
Gingrich	Maloney	Sisisky
Gonzalez	Manton	Skeen
Goodlatte	Manzullo	Skelton
Gordon	Margolies-	Slaughter
Goss	Mezvinsky	Smith (MI)
Grams	Martinez	Smith (NJ)
Grandy	Matsui	Smith (OR)
Green	Mazzoli	Smith (TX)
Greenwood	McCandless	Snowe
Gunderson	McCollum	Solomon
Gutierrez	McCurdy	Spence
Hall (TX)	McHugh	Stark
Hamburg	McInnis	Stearns
Hancock	McKeon	Stokes
Hansen	McKinney	Stump
Harman	McMillan	Stupak
Hastert	McNulty	Sundquist
Hefley	Meek	Swett
Heger	Menendez	Talent
Hilliard	Meyers	Tanner
Hinchev	Mfume	Tauzin
Hobson	Mica	Taylor (NC)
Hochbrueckner	Michel	Tejeda
Hoekstra	Miller (FL)	Thomas (CA)
Hoke	Mineta	Thomas (WY)
Horn	Molinari	Thompson
Houghton	Moorhead	Torkildsen
Huffington	Morella	Torres
Hunter	Myers	Torricelli
Hutchinson	Nadler	Towns
Hutto	Neal (NC)	Traficant
Hyde	Nussle	Upton
Inglis	Ortiz	Velazquez
Inhofe	Oxley	Vucanovich
Inslee	Pallone	Walker
Istook	Pastor	Walsh
Jefferson	Paxon	Walters
Johnson (CT)	Petri	Watt
Johnson (GA)	Pickett	Waxman
Johnson (SD)	Pombo	Weldon
Johnson, E.B.	Pryce (OH)	Wheat
Johnson, Sam	Quillen	Whitten
Johnston	Quinn	Wilson
Kaptur	Ramstad	Wolf
Kasich	Rangel	Ramsey
Kennedy	Ravenel	Young (AK)
Kildee	Richardson	Young (FL)
Kim	Ridge	Zeliff
King	Roberts	Zimmer
Kingston	Rogers	

NAYS—129

Allard	Carr	Furse
Andrews (ME)	Coble	Gejdenson
Andrews (NJ)	Costello	Gephardt
Baesler	Coyne	Geren
Baker (LA)	Cramer	Gibbons
Barca	Crane	Glickman
Barcia	DeFazio	Goodling
Barrett (WI)	DeLauro	Hall (OH)
Bevill	Dellums	Hamilton
Bonior	Dicks	Hastings
Borski	Dooley	Hayes
Boucher	Dunn	Hefner
Browder	Durbin	Hoagland
Brown (CA)	Edwards (TX)	Holden
Brown (FL)	English (OK)	Hoyer
Brown (OH)	Foglietta	Hughes
Cantwell	Ford (TN)	Jacobs
Cardin	Frank (MA)	Kanjorski

Kennelly	Obey	Sensenbrenner
Klein	Oliver	Sharp
Klink	Orton	Skaggs
Kreidler	Owens	Slattery
Lambert	Parker	Smith (IA)
Lloyd	Payne (NJ)	Spratt
Lowe	Payne (VA)	Stenholm
Markey	Pelosi	Strickland
McCloskey	Penny	Studds
McCrery	Peterson (FL)	Swift
McDade	Peterson (MN)	Synar
McDermott	Pickle	Taylor (MS)
McHale	Pomeroy	Thornton
Meehan	Porter	Thurman
Miller (CA)	Portman	Unsoeld
Minge	Poshard	Valentine
Mink	Price (NC)	Vento
Mollohan	Rahall	Visclosky
Montgomery	Reed	Volkmer
Moran	Regula	Washington
Murphy	Reynolds	Williams
Murtha	Roemer	Wise
Natcher	Rostenkowski	Wyden
Neal (MA)	Rush	Wynn
Oberstar	Sabo	Yates

NOT VOTING—7

Conyers	Mann	Tucker
Frost	Moakley	
Henry	Packard	

□ 1705

Messrs. PORTER, ENGLISH of Oklahoma, SPRATT, and PENNY changed their vote from "yea" to "nay."

Mr. BARLOW, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MARGOLIES-MEZVINSKY, Messrs. RANGEL, STARK, ABERCROMBIE, COX, DINGELL, TAUZIN, CLAYTON, and TOWNS, and Ms. SLAUGHTER changed their vote from "nay" to "yea."

So the amendment was agreed to.
 The result of the vote was announced as above recorded.

The SPEAKER pro tempore. (Mr. McNULTY). The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:
 Amendment: Page 33, line 21, strike "\$1,650,000,000" and insert in lieu thereof "\$1,640,366,000".

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

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.
 The vote was taken by electronic device, and there were—ayes 70, noes 356, not voting 8, as follows:

[Roll No. 343]

AYES—70

Allard	DeLay	Inhofe
Archer	Doolittle	Johnson, Sam
Arney	Dornan	Kim
Baker (CA)	Drier	Kyl
Ballenger	Duncan	Linder
Barrett (NE)	Franks (CT)	Manzullo
Barton	Gingrich	McCandless
Bereuter	Glickman	McInnis
Bonilla	Goodlatte	McKeon
Bunning	Graham	Meyers
Burton	Grandy	Minge
Coble	Hall (TX)	Montgomery
Combest	Hancock	Moorhead
Condit	Harman	Myers
Coppersmith	Heger	Nussle
Cox	Hunter	Parker
Crapo	Hutchinson	Paxon

McHale	Quinn	Stupak
McKinney	Rahall	Sundquist
McNulty	Rangel	Swett
Meehan	Regula	Swift
Meek	Reynolds	Tauzin
Menendez	Richardson	Taylor (MS)
Meyers	Rogers	Taylor (NC)
Mfume	Ros-Lehtinen	Tejeda
Miller (CA)	Rose	Thompson
Mineta	Rostenkowski	Thornton
Mink	Rowland	Thurman
Mollohan	Roybal-Allard	Torres
Moran	Rush	Torricelli
Morella	Sabo	Towns
Murtha	Sanders	Trafcant
Nadler	Sangmeister	Unsoeld
Natcher	Sarpalius	Valentine
Neal (MA)	Sawyer	Velazquez
Neal (NC)	Schenk	Vento
Nussle	Schroeder	Visclosky
Oberstar	Schumer	Volkmer
Ohey	Scott	Vucanovich
Olver	Serrano	Washington
Ortiz	Shaw	Waters
Owens	Sisisky	Watt
Pallone	Skaggs	Waxman
Pastor	Skeen	Wheat
Payne (NJ)	Skelton	Whitten
Payne (VA)	Slaughter	Williams
Peiosi	Smith (IA)	Wilson
Peterson (FL)	Smith (MI)	Wise
Pickett	Spratt	Woolsey
Pomeroy	Stark	Wyden
Poshard	Stokes	Wynn
Price (NC)	Strickland	Yates
Quillen	Studds	Young (AK)

NOT VOTING—9

Conyers	Frost	Moakley
Dickey	Henry	Packard
Dornan	Mann	Tucker

□ 1723

Mr. GALLO changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DICKEY. Mr. Speaker, I was unavoidably detained and could not make the vote on the Penny amendment to H.R. 2519. Had I been present, I would have voted for that amendment.

The SPEAKER pro tempore (Mr. McNULTY). 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. KOLBE

Mr. KOLBE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KOLBE. Mr. Speaker, in its present form, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KOLBE moves to recommit the bill, H.R. 2519, to the Committee on Appropriations with instructions to report back the same forthwith with the following amendments:

On page 13, line 1, strike "\$307,700,000" and insert "\$356,884,000".

On page 16, line 18, strike "\$2,024,705,000" and insert "\$2,043,705,000".

On page 18, line 4, strike "\$718,684,000" and insert "\$731,639,000".

The SPEAKER pro tempore. Does the gentleman wish to be heard on his motion to recommit?

Mr. KOLBE. Mr. Speaker, I do.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. KOLBE] is recognized for 5 minutes on his motion to recommit.

Mr. KOLBE. Mr. Speaker, This motion to recommit will restore funding to the level requested by the President in three critical law enforcement areas: Detention of U.S. Prisoners; FBI; and DEA. My motion is as simple as that.

Originally this motion was to have included increases in funding to protect and regulate this country's borders. The INS is woefully understaffed, resulting in wave after wave of illegal border crossings, and causing endless delay for legal crossings. By a July 1 floor amendment, however, the House agreed to add \$60 million to the INS budget, removing the need to include increased funding in the motion to recommit for INS.

The increases in funding for law enforcement contained in this motion do not cause the bill to exceed last year's spending level. In fact, with this spending, it is still \$2.2 billion below

Let me describe the areas very quickly.

U.S. prisoners: Of the \$81.2 million total, \$49.2 million will go to support detention of U.S. prisoners, bringing the bill to the funding level requested by the President.

At the bill's current funding level, over 874,126 fewer jail days will be funded than would be under this motion.

Since 1987, the U.S. Marshals Service's Federal detainee population has grown by 167 percent—an annual growth rate of 15 percent and far outpacing the Bureau of Prisons inmate population.

In 1992 alone, the population grew by 20.6 percent.

Most likely, the BOP could not handle the overflow, and the Department would have to work with the courts, and Federal arresting agencies to control the population, including delays in detaining suspected criminals, or at the other end releasing convicted criminals early so the detained people can be kept in jail pending trial.

Mr. Speaker, we have to send a strong message to lawbreakers today, that if you break the law you are going to be put away, period. We have a responsibility to be able to hold those that are being arrested, to detain them until they have trial, and this amendment would allow us to do that.

For the FBI, the motion provides \$19 million to bring it to the President's requested level of funding.

Mr. Speaker, when addressing the FBI, let me point out that the \$10 million will go into the fund, or will go to fund nationwide implementation of the background investigation contract service known as BICS. With the BICS funding, we will be able to take 62 agents that might be reassigned to

such high-priority programs as health care fraud, and the FBI has estimated that health care fraud amounts to over \$80 billion annually, or close to 10 percent of our health care spending.

If we put it another way, if we could eliminate health care fraud, and this could go partway to doing that, we could fund the various health care reforms that are floating around this House and around Washington today.

Besides providing important funding for the BICS Program, the motion to recommit would provide \$9 million for the Integrated Automated Fingerprint Identification System that is called IAFIS. IAFIS will improve turnaround for criminal fingerprint checks from as long as 6 weeks to just 2 hours. The expedited time for fingerprint checks will help the Federal and State law enforcement agencies to identify criminals before they are released from custody.

□ 1730

This motion will add \$13 million to the DEA to bring it to the President's level.

The House mark would result in a reduction of approximately 105 positions in the DEA.

These reductions come on the heels of position reductions totalling 176 in 1993, including 163 agents.

The combined agent loss in 1994 of 238 agents, 163 in 1993, and 75 in 1994, will result in roughly 1,825 fewer cocaine arrests, two-thirds of which are the highest level class I and class II cases, and an untold amount of asset seizures lost.

Worst of all is the message the cuts send the drug kingpins: That we are in retreat; that our commitment is waning; that we have lost and do not care about fighting the war on drugs.

The appropriations process is the place where this body sets its spending priorities. And while there may be debate on the merits of some programs in this bill, no one can question the importance of properly funding this country's law enforcement agencies. Law enforcement must be of the highest priority until our streets are safe.

Mr. Speaker, along with many of our Members, I wish that we could do more, but this, at least, is a beginning, and I urge my colleagues to vote "yes" on the motion to recommit.

Mr. SMITH of Iowa. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, this is a novel motion to recommit. It adds money. All of the motions to recommit we have had up to now took money out of programs.

This motion to recommit would add \$81 million for a purpose that is close to my heart, always has been, law enforcement. But in the bill, we gave law enforcement more than the 95 percent of current services that we held most agencies to.

Then, if you will remember, when the budget was submitted last February,

the administration requested some enhancements as part of its investment proposals. We could have the enhancements if we waived the Budget Act. But I am not about to believe that Members are going to waive the Budget Act. We could not give the administration all of the enhancements they requested. So when it is said that we did not give the Justice Department all they requested, it is because we did not give them all of the requested enhancements in the investment proposal. We just do not have the money.

Now for program enhancements, we gave them maybe half of their request. But we have to reserve money for the programs that were knocked out of the bill or points of order. If we do not reserve money, then we will not have the money to restore these programs when we go to conference.

So law enforcement was already over the 95 percent of current services that most agencies received in the bill.

Also, the Hunter amendment that the House just approved added another \$60 million to the Justice Department.

Now, the money does not come out of nowhere; we have to get the money from somewhere. I need to know which Members believe law enforcement is a higher priority than all the other things in the bill. That is the reason I want a rollcall vote.

We need to know which Members believe law enforcement is a higher priority than all the other things in the bill. We can get the money; I am not going to say we cannot. We could get the money by killing the NOAA projects that are in the bill. For example, we can kill the Sea Grant Program, which is funded at \$40.8 million. We could pick up a chunk right there.

We could kill the Coastal Zone Management Program, which is funded at \$41 million. Those two programs together will give us the money to pay for the motion to recommit, if that is what Members want to do. It is your decision.

Marine sanctuaries, if we eliminated that program, it would save another \$9 million. We can kill that program. We have already, in this bill, saved \$17 million because the chairman of the Energy and Commerce Committee knocked out funds for the Travel and Tourism Administration on a point of order. We already spent three times that amount on the Hunter amendment which added \$60 million for the INS.

That is what this motion is about. We do not have the money. If you do not have the money, do you want to increase \$81 million over what is contained in the bill.

I say let us have a "no" vote. The SPEAKER pro tempore (Mr. McNULTY). Without objection, the previous question is ordered on the motion to recommit.

There was no objection. The SPEAKER pro tempore. The question is on the motion to recommit.

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

RECORDED VOTE

Mr. KOLBE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 112, noes 315, not voting 7, as follows:

[Roll No. 345]

AYES—112

Archer	Grams	Molinari
Armey	Grandy	Mollohan
Bachus (AL)	Greenwood	Moorhead
Baker (CA)	Gunderson	Oxley
Ballenger	Hancock	Pryce (OH)
Bartlett	Hastert	Quinn
Bateman	Herger	Rahall
Bilirakis	Hobson	Ramstad
Billey	Hoekstra	Regula
Boehrlert	Hoke	Ridge
Boehner	Horn	Rogers
Bonilla	Houghton	Roukema
Bunning	Hunter	Royce
Buyer	Hyde	Santorum
Camp	Inglis	Schiff
Canady	Inhofe	Schumer
Clinger	Istook	Shays
Cunningham	Johnson (CT)	Shuster
DeLay	Kasich	Smith (OR)
Diaz-Balart	Kim	Smith (TX)
Doolittle	King	Snowe
Dornan	Knollenberg	Spence
Dreier	Kolbe	Stearns
Dunn	Kyl	Talent
Emerson	Lazio	Taylor (MS)
Ewing	Levy	Taylor (NC)
Fawell	Lewis (CA)	Upton
Fields (TX)	Lewis (FL)	Vucanovich
Fish	Lightfoot	Walker
Fowler	Linder	Walsh
Franks (CT)	Livingston	Weldon
Gallegly	McCandless	Wise
Gekas	McCollum	Wolf
Gilchrest	McDade	Young (FL)
Gillmor	McHugh	Zeliff
Gilman	Mica	Zimmer
Gingrich	Michel	
Goss	Miller (FL)	

NOES—315

Abercrombie	Calvert	Duncan
Ackerman	Cantwell	Durbin
Allard	Cardin	Edwards (CA)
Andrews (ME)	Carr	Edwards (TX)
Andrews (NJ)	Castle	Engel
Andrews (TX)	Chapman	English (AZ)
Applegate	Clay	English (OK)
Bacchus (FL)	Clayton	Eshoo
Baesler	Clement	Evans
Baker (LA)	Clyburn	Everett
Barca	Coble	Farr
Barcia	Coleman	Fazio
Barlow	Collins (GA)	Fields (LA)
Barrett (NE)	Collins (IL)	Filner
Barrett (WI)	Collins (MI)	Fingerhut
Barton	Combest	Flake
Becerra	Condit	Foglietta
Bellenson	Cooper	Ford (MI)
Bentley	Coppersmith	Ford (TN)
Bereuter	Costello	Frank (MA)
Berman	Cox	Franks (NJ)
Bevill	Coyne	Furse
Bilbray	Cramer	Gallo
Bishop	Crane	Gejdenson
Blackwell	Crapo	Gephardt
Blute	Danner	Geren
Bonior	Darden	Gibbons
Borski	de la Garza	Glickman
Boucher	Deal	Gonzalez
Brewster	DeFazio	Goodlatte
Brooks	DeLauro	Goodling
Browder	Dellums	Gordon
Brown (CA)	Derrick	Green
Brown (FL)	Deutsch	Gutierrez
Brown (OH)	Dickey	Hall (OH)
Bryant	Dicks	Hall (TX)
Burton	Dingell	Hamburg
Byrne	Dixon	Hamilton
Callahan	Dooley	Hansen

Harman	McMillan	Sawyer
Hastings	McNulty	Saxton
Hayes	Meehan	Schaefer
Hefley	Meek	Schenck
Hefner	Menendez	Schroeder
Hilliard	Meyers	Scott
Hinchee	Mfume	Sensenbrenner
Hoagland	Miller (CA)	Serrano
Hochbrueckner	Mineta	Sharp
Holden	Minge	Shaw
Hoyer	Mink	Shepherd
Huffington	Montgomery	Sisisky
Hughes	Moran	Skaggs
Hutchinson	Morella	Skeen
Hutto	Murphy	Skelton
Inslee	Murtha	Slattery
Jacobs	Myers	Slaughter
Jefferson	Nadler	Smith (IA)
Johnson (GA)	Natcher	Smith (MI)
Johnson (SD)	Neal (MA)	Smith (NJ)
Johnson, E.B.	Neal (NC)	Solomon
Johnson, Sam	Nussle	Spratt
Johnston	Oberstar	Stark
Kanjorski	Obey	Stenholm
Kaptur	Olver	Stokes
Kennedy	Ortiz	Strickland
Kennelly	Orton	Studds
Kildee	Owens	Stump
Kingston	Pallone	Stupak
Kleczka	Parker	Sundquist
Klein	Pastor	Swett
Klinski	Paxon	Swift
Klug	Payne (NJ)	Synar
Kopetski	Payne (VA)	Tanner
Kreidler	Pelosi	Tauzin
LaFalce	Penny	Tejeda
Lambert	Peterson (FL)	Thomas (CA)
Lancaster	Peterson (MN)	Thomas (WY)
Lantos	Petri	Thompson
LaRocco	Pickett	Thornton
Laughlin	Pickle	Thurman
Leach	Pombo	Torkildsen
Lehman	Pomeroy	Torres
Levin	Porter	Torricelli
Lewis (GA)	Portman	Towns
Lipinski	Poshard	Trafficant
Lloyd	Price (NC)	Unsoeld
Long	Quillen	Valentine
Lowe	Rangel	Velazquez
Machtley	Ravenel	Vento
Maloney	Reed	Visclosky
Manton	Reynolds	Volkmer
Manzullo	Richardson	Washington
Margolies-Mezvinsky	Roberts	Waters
Markey	Roemer	Watt
Martinez	Rohrabacher	Waxman
Matsui	Ros-Lehtinen	Wheat
Mazzoli	Rose	Whitten
McCloskey	Rostenkowski	Williams
McCrery	Roth	Wilson
McCurdy	Rowland	Woolsey
McDermott	Roybal-Allard	Wyden
McHale	Rush	Wynn
McInnis	Sabo	Yates
McKeon	Sanders	Young (AK)
McKinney	Sangmeister	
	Sarpalius	

NOT VOTING—7

Conyers	Mann	Tucker
Frost	Moakley	
Henry	Packard	

□ 1752

Mr. STUMP and Mr. PAXON changed their vote from "aye" to "no."

Messrs. MICHEL, RAHALL, and WISE changed their vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. ROGERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair reminds Members that this in a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 327, noes 98, not voting 9, as follows:

[Roll No. 346]

AYES—327

Abercrombie	Engel	Kreidler
Ackerman	English (AZ)	Kyl
Andrews (ME)	English (OK)	LaFalce
Andrews (NJ)	Eshoo	Lambert
Andrews (TX)	Evans	Lancaster
Bacchus (FL)	Farr	Lantos
Baesler	Fazio	LaRocco
Baker (CA)	Fields (LA)	Laughlin
Barca	Flner	Lazio
Barlow	Fingerhut	Leach
Barrett (NE)	Fish	Lehman
Barrett (WI)	Flake	Levin
Bateman	Foglietta	Lewis (CA)
Becerra	Ford (MI)	Lewis (GA)
Beilenson	Ford (TN)	Lightfoot
Bentley	Fowler	Linder
Bereuter	Frank (MA)	Lipinski
Berman	Franks (CT)	Livingston
Bevill	Furse	Lloyd
Bilbray	Gallo	Long
Bilirakis	Gedjenson	Lowe
Bishop	Gephardt	Machtley
Blackwell	Geren	Maloney
Bliley	Gibbons	Manton
Blute	Gilchrist	Margolies-
Boehlert	Gillmor	Mezvinsky
Bonior	Gilman	Markey
Borski	Glickman	Martinez
Boucher	Gonzalez	Matsui
Brewster	Goodlatte	Mazzoli
Brooks	Goodling	McCloskey
Browder	Gordon	McCollum
Brown (CA)	Grandy	McCrery
Brown (FL)	Green	McCurdy
Brown (OH)	Gutierrez	McDade
Bryant	Hall (OH)	McDermott
Bunning	Hall (TX)	McHale
Byrne	Hamburg	McKinney
Calvert	Hamilton	McMillan
Canady	Harman	McNulty
Cantwell	Hastert	Meehan
Cardin	Hastings	Meek
Carr	Hayes	Menendez
Castle	Hefner	Meyers
Chapman	Hilliard	Mfume
Clay	Hinche	Michel
Clayton	Hoagland	Miller (CA)
Clement	Hobson	Mineta
Clinger	Hochbrueckner	Minge
Clyburn	Hoekstra	Mink
Coleman	Hoke	Mollohan
Collins (IL)	Holden	Montgomery
Collins (MI)	Horn	Moran
Condit	Houghton	Morella
Cooper	Hoyer	Murtha
Coppersmith	Hughes	Myers
Costello	Hunter	Nadler
Coyne	Hutchinson	Natcher
Cramer	Hutto	Neal (MA)
Danner	Hyde	Neal (NC)
Darden	Inslee	Nussle
de la Garza	Jefferson	Oberstar
Deal	Johnson (CT)	Obey
DeFazio	Johnson (GA)	Oliver
DeLauro	Johnson (SD)	Ortiz
Dellums	Johnson, E.B.	Orton
Derrick	Johnston	Owens
Deutsch	Kanjorski	Oxley
Diaz-Balart	Kaptur	Pallone
Dickey	Kasich	Parker
Dicks	Kennedy	Pastor
Dingell	Kennelly	Payne (NJ)
Dixon	Kildee	Payne (VA)
Dooley	Kim	Pelosi
Durbin	Kleczka	Penny
Edwards (CA)	Klein	Peterson (FL)
Edwards (TX)	Klink	Peterson (MN)
Emerson	Kopetski	Pickett

Pickle	Schiff	Thompson
Porter	Schumer	Thornton
Portman	Scott	Thurman
Poshard	Serrano	Torkildsen
Price (NC)	Sharp	Torres
Pryce (OH)	Shaw	Torricelli
Quillen	Shepherd	Towns
Quinn	Sisisky	Trafiacnt
Rahall	Skaggs	Unsoeld
Rangel	Skeen	Valentine
Ravenel	Skelton	Velazquez
Reed	Slaughter	Vento
Regula	Smith (IA)	Visclosky
Reynolds	Smith (NJ)	Volkmer
Richardson	Smith (TX)	Vucanovich
Ridge	Snowe	Walsh
Roemer	Spratt	Waters
Rogers	Stark	Watt
Ros-Lehtinen	Stenholm	Waxman
Rose	Stokes	Wheat
Rostenkowski	Strickland	Whitten
Roukema	Studds	Williams
Rowland	Stupak	Wilson
Roybal-Allard	Sundquist	Wise
Rush	Swett	Wolf
Sabo	Swift	Woolsey
Sanders	Synar	Wyden
Sangmeister	Tanner	Wynn
Sarpalius	Tauzin	Yates
Sawyer	Taylor (MS)	Young (AK)
Saxton	Tejeda	
Schenk	Thomas (CA)	

NOES—98

Allard	Franks (NJ)	Moorhead
Applegate	Gallely	Murphy
Archer	Gekas	Paxon
Armey	Gingrich	Petri
Bachus (AL)	Goss	Pombo
Baker (LA)	Grams	Ramstad
Ballenger	Greenwood	Roberts
Barcia	Gunderson	Rohrabacher
Bartlett	Hancock	Roth
Barton	Hansen	Royce
Boehner	Hefley	Santorum
Bonilla	Herger	Schaefer
Burton	Huffington	Schroeder
Buyer	Inglis	Sensenbrenner
Callahan	Inhofe	Shays
Camp	Istook	Shuster
Coble	Jacobs	Slattery
Collins (GA)	Johnson, Sam	Smith (MI)
Combust	King	Smith (OR)
Cox	Kingston	Solomon
Crane	Klug	Spence
Crapo	Knollenberg	Stearns
Cunningham	Kolbe	Stump
DeLay	Levy	Talent
Doolittle	Lewis (FL)	Taylor (NC)
Dorman	Manzullo	Thomas (WY)
Dreier	McCandless	Upton
Duncan	McHugh	Walker
Dunn	McInnis	Weldon
Everett	McKeon	Young (FL)
Ewing	Mica	Zeliff
Fawell	Miller (FL)	Zimmer
Fields (TX)	Molinari	

NOT VOTING—9

Conyers	Mann	Pomeroy
Frost	Moakley	Tucker
Henry	Packard	Washington

□ 1801

Mr. GALLO changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1850

PERSONAL EXPLANATION

Mr. POMEROY. Mr. Speaker, while meeting with my constituents from North Dakota a few minutes ago, I inadvertently missed rollcall No. 346, a vote which represented final passage of

the appropriations for Commerce, Justice, State, and Judiciary for fiscal year 1994.

Mr. Speaker, I would like the record to reflect that had I voted, I would have voted in the affirmative.

Mr. PACKARD. Mr. Speaker, had I been present for the following rollcall votes, I would have voted "yes" on rollcall votes numbered 340, 342, 343, 344, 345, and 346.

I would have voted "no" on rollcall vote numbered 341.

REPORT ON H.R. 2667, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR RELIEF FROM MAJOR WIDESPREAD FLOODING IN THE MIDWEST, FISCAL YEAR, 1993

Mr. NATCHER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103-184) on the bill (H.R. 2667) making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. HOBSON reserved all points of order on the bill.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 702

Mr. BEILENSEN. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 702.

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

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2530, BUREAU OF LAND MANAGEMENT AUTHORIZATION, FISCAL YEAR 1994

Mr. BEILENSEN, from the Committee on Rules, submitted a privileged report (Rept. No. 103-185) on the resolution (H. Res. 218) providing for consideration of the bill (H.R. 2530) to amend the Federal Land Policy and Management Act of 1976 to authorize appropriations for programs, functions, and activities of the Bureau of Land Management, Department of the Interior, for fiscal year 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2021

Mr. FISH. Mr. Speaker, I ask unanimous consent that my named be removed as a cosponsor of H.R. 2021, the Undercharge Settlement and Amnesty Act.

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

There was no objection.

**REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 2026**

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 2026.

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

There was no objection.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 2010, NATIONAL SERVICE TRUST ACT OF 1993

Mr. BEILENSEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 217 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 217

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 further consideration of the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes. No further general debate shall be in order. The bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with section 302(f) of the Congressional Budget Act of 1974 or clause 5(a) of rule XXI are waived. Other than pro forma amendments for the purpose of debate, no amendment to the committee amendment in the nature of a substitute shall be in order unless printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII prior to Tuesday, July 20, 1993. The amendments en bloc caused to be printed by Representative Ford of Michigan shall be considered as read and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. At the conclusion of 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 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. The gentleman from California [Mr. BEILENSEN] is recognized for 1 hour.

Mr. BEILENSEN. Mr. Speaker, for the purpose of debate only, I yield the customary one-half hour of debate time 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.

Mr. Speaker, House Resolution 217 is the rule providing for further consideration of H.R. 2010, the National Service Trust Act of 1993. This is the second rule the Rules Committee has recommended, and the House has considered, for this piece of legislation.

As Members will recall, the first rule, which was approved July 13, provided for 3 hours of general debate time on this important policy initiative, a step the Rules Committee decided to take to ensure that the proponents and the opponents would have more time than they normally would have had under the standard procedures of the House to debate the intricacies of this legislation.

Mr. Speaker, the rule we are considering today makes in order the Education and Labor Committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment. The substitute shall be considered as read, and is open at any point for any germane amendment that has been printed in the CONGRESSIONAL RECORD prior to today.

Mr. Speaker, the rule also provides for waivers of clause 5(a) of rule XXI, which prohibits appropriating in a legislative bill, and of section 302(f) of the Congressional Budget Act, a section that prohibits the consideration of measures that contain direct spending authority in excess of a committee's appropriation allocation.

The waivers are necessary to address several provisions in both the introduced version and committee-reported version of H.R. 2010 that create direct spending authority. Since the Committee on Education and Labor has not been allocated sufficient authority to accommodate any new spending, several provisions give rise to an infraction of this Budget Act provision.

One of those provisions would allow Peace Corps and certain VISTA volunteers who later become Federal employees to credit the time served in their computation of retirement benefits; they must, however, pay the required funds for that period of time. This change is parallel to one made several years ago making similar accommodations for members of the uniformed services.

Another provision that technically violates section 302(f) of the Budget Act creates executive level positions for senior officers of the new Corporation of National Service. Individuals appointed to positions in the executive schedule are assigned fixed rates of

pay. By precedent, this action constitutes the creation of new entitlement authority and is therefore technically a violation of the Budget Act.

One final example of the type of provision that requires this waiver is one that permits the Corporation for National Service and other Federal agencies to accept donations in support of the National Service Program and to expend those donations directly. While these provisions are deficit neutral—the Federal Government would receive an amount equal to the amount expended—budget process rules count donations to the Federal Government as revenues on one side of the ledger and the spending of

Since these direct spending provisions are also interpreted to be appropriations under House precedents, a waiver of clause 5(a) of rule XXI is also necessary.

Mr. Speaker, as a member of the Budget Committee and as one member who has been aggressive, if I may say so, in objecting to substantive violations of the Budget Act, I can assure my colleagues that these waivers are indeed minor and technical in nature. You may hear otherwise from other Members of this body, but in my view section 302(f) of the Budget Act was not written to prevent such minor provisions from being enacted.

Further, it is the role of the Rules Committee obviously to consider, determine, and recommend waivers of existing rules when those waivers are, as they are in this case, purely technical and minor in nature.

Mr. Speaker, the rule we are considering today is an open rule. Members were permitted to offer any amendment that would be allowed under the rules of the House; this rule contains no restrictions on the substance of amendments.

The only restriction is the requirement that amendments that are considered must have been printed in the CONGRESSIONAL RECORD prior to July 20. The Rules Committee fully recognized that Members would need adequate advance time to prepare amendments, and so first gave official notice of this requirement 3 weeks ago, on June 30.

The Committee recognized also that the complexities of the bill made the preprinting requirement reasonable for fair, orderly, and effective debate. I might add, Mr. Speaker, minority members of the Committees on Education and Labor and Rules did not object to this suggestion during our first meeting on H.R. 2010, so long as Members received adequate time to prepare amendments—and, surely, 3 weeks is ample time. In this Member's view, the requirement should have had no deleterious effect on Members who desire to offer amendments, especially those amendments that will be useful in the forthcoming debate.

In addition, Mr. Speaker, secondary amendments to those amendments printed in the RECORD, will be allowed; the rule in no way blocks secondary amendments.

The rule also allows Chairman FORD to offer a nondivisible en bloc amendment that was printed in the RECORD on July 13. Many of the modifications to the bill contained in the en bloc amendment were recommended by members from the minority on the Education and Labor Committee. Further, the minority on the committee agreed to the inclusion of all the modifications in the en bloc amendment.

And finally, Mr. Speaker, the rule allows for one motion to recommit with or without instructions.

The bill for which this rule is being offered, H.R. 2010, creates a system of national service that would encourage individuals to work in, for example, educational, environmental, and human and public safety programs that address many of our Nation's most serious problems.

The National Service Trust Act not only will enable Americans of all backgrounds to perform service and earn educational awards in return, but also will reauthorize several existing programs offering service opportunities for Americans, including senior citizens.

The bill has wide bipartisan support. I do not intend, nor do I believe this to be the place, to argue or debate the merits of this ambitious initiative—we have already had 3 hours of general debate for that purpose, and I trust we shall have further intelligent and thoughtful debate as amendments—as many as 18 of them—are considered tomorrow.

I encourage my colleagues to approve this open rule so that we may proceed with what I assume will be a lively debate in the consideration of amendments to H.R. 2010.

□ 1810

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

PARLIAMENTARY INQUIRY

Mr. DREIER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. McNULTY). The gentleman will state it.

Mr. DREIER. Mr. Speaker, I would like to propound this parliamentary inquiry: assuming that I or my colleague, the gentleman from Woodland Hills, CA, were to ask for a vote on this at the end, would that vote be held this evening or tomorrow?

The SPEAKER pro tempore. That vote would be rolled until tomorrow.

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

Mr. Speaker, I rise in strong opposition to this rule, because there is absolutely no reason why our Committee on Rules cannot employ proper procedure for consideration of this national

service legislation. There is absolutely no scheduling emergency facing this House. We should have general debate directly before the amendment process. Then all Members of this House, Democrats and Republicans alike, should be able to participate in an open amendment process as is their right under the House rules. Finally, there is no excuse whatsoever for waiving points of order basically, once again, ignoring our rules.

Last week, when the part one rule for this bill was considered on the floor, I urged my colleagues to reject the two-part rule process that permits general debate one day, and amendments later. This bill illustrates why these two-part rules are so counterproductive.

We held the 3 hours of general debate on this national paid service bill a week ago. There were 3 hours of debate because there was a strong consensus from members of the committee that this was a very important issue, and it was a completely new proposal. We needed the time, that 3 hours, to adequately deliberate. Today, I strongly doubt that more than a handful of Members, besides those who took part in that debate, remember a heck of a lot of what was said.

General debate is intended to be more than a chance to make grandstand speeches for the TV cameras. It is designed to play a very important part in the process of deliberative democracy.

General debate must immediately precede the actual consideration of legislation so that the debate helps Members understand the bill before them.

Many of us have grappled with the problem of setting schedules so Members can focus on their most important job: legislating. Think about what most Members have done since we held the general debate on this bill. On the floor, there have been hours of debate and scores of votes on appropriations bills, and we have debated the budget itself. Every Member has had dozens of meetings and committee hearings. Nearly all Members have traveled back and forth from their districts, including the Members from the Mississippi Valley who are dealing with the terrible flood devastation. Now, with all that, how many know what was said in the debate on this national service bill? It is absolutely clear, Mr. Speaker, that this two-part rule process is for the birds.

This rule also requires amendments to be printed in the CONGRESSIONAL RECORD. That might not sound like much, but it is another bad policy that belittles the traditions of House debate. If amendments must be preprinted, then it is impossible to listen to the debate on the floor, come up with a new idea to improve the bill, and then offer an amendment to incorporate that idea.

Why do we need this burdensome preprinting process? Shouldn't the com-

mittees that report these bills have a grasp of the issues affecting the legislation under their jurisdiction? Again, Mr. Speaker, I think we can do better.

Finally, this rule waives the Budget Act and the prohibition against appropriating in an authorizing bill. Last week, the Ziggy cartoon actually portrayed the House Rules Committee as the "House Whatever We Feel Like Doing Committee." Now, I don't know what brought Ziggy up to our cozy little Rules Committee room. But I think it shows that constantly ignoring the rules around here has become a joke to the American people.

Mr. Speaker, this bill creates a paid service program that pays better than many private sector jobs. The American people do not want new and expensive Clinton government make-work programs, because they do not want new taxes to pay for them. Therefore, once again, I urge the House to perform a little community service of our own. Send this bad rule back, and consider this important bill under a process that is worthy of the spirit of national service.

Mr. Speaker, I include for the RECORD these documents regarding the proposed rule:

VOTES ON MOTIONS IN THE RULES COMMITTEE TO THE PROPOSED RULE ON THE NATIONAL SERVICE TRUST ACT, WEDNESDAY, JULY 14, 1993

1. Open Rule (see text below).—Provides for consideration of committee amendment in the nature of a substitute as original text for amendment purposes under the 5-minute rule; allows for the en bloc consideration of Ford amendments printed in the Rules Committee report which shall not be subject to division in the House or Committee of the Whole, and for said en bloc amendments to be considered part of the original text for further amendment purposes under the 5-minute rule. Finally, the rule provides for one motion to recommit, with or without instructions. *The substitute rule contains no waivers, no pre-filing requirements for amendments, and no self-executing provisions.*

Rejected: 4-5. Yeas: Solomon, Quillen, Dreier, and Goss. Nays: Moakley, Derrick, Beilenson, Frost, and Slaughter. Not voting: Bonior, Hall, Wheat and Gordon.

2. Strike Pre-Filing Requirement.—Strike from the rule the language requiring the pre-filing of amendments in the Congressional Record before Tuesday, July 20th.

Rejected: 4-6. Yeas: Solomon, Quillen, Dreier, and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Gordon, and Slaughter. Not voting: Bonior, Hall, and Wheat.

3. TO REPORT THE RULE AS MOVED.—Providing for the consideration of the committee amendment in the nature of a substitute as original text, waiving sec. 302(f) of the Budget Act and clause 5(a) of rule XXI against the substitute, permitting no amendments to the substitute except pro forma amendments and those printed in the Record prior to Tuesday, July 20th, and permitting en bloc consideration of amendments by Rep. Ford of Michigan, and providing one motion to recommit, with or without instructions.

Adopted: 6-4. Yeas: Moakley, Derrick, Beilenson, Frost, Gordon and Slaughter. Nays: Solomon, Quillen, Dreier and Goss. Not voting: Bonior, Hall, and Wheat.

PROVIDING AN OPEN RULE FOR THE NATIONAL SERVICE TRUST ACT

Strike all after the resolving clause and insert in lieu thereof the following: "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 further consideration of the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes. At the completion of general debate pursuant to H. Res.

215, 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 the Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said amendment shall be considered as read. It shall first be in order to consider en bloc the amendments printed in part 1 of the report of the Committee on Rules to accompany this resolution if offered by Representative Ford of Michigan, or a designee, said amendments shall be considered as read, shall not be subject to a division of the question in the House or in the Committee of the Whole, and, if adopted, shall be considered

part of the original text for the purpose for further amendment under the five-minute rule, notwithstanding their prior adoption. 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, and 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 amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions."

OPEN VERSUS RESTRICTIVE RULES—95TH-103D CONGRESSES

Congress (years)	Total rules granted ¹	Open rules ²		Restrictive rules ³	
		Number	Percent	Number	Percent
95th (1977-78)	211	179	85	32	15
96th (1979-80)	214	161	75	53	25
97th (1981-82)	120	90	75	30	25
98th (1983-84)	155	105	68	50	32
99th (1985-86)	115	65	57	50	43
100th (1987-88)	123	66	54	57	46
101st (1989-90)	104	47	45	57	55
102d (1991-92)	109	37	34	72	66
103d (1993-94)	26	7	27	19	73

¹ Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.
² Open rules are those which permit any member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.
³ Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.
 Sources: Rules Committee Calendars & Surveys of Activities, 95th-102nd Congresses; "Notice of Action Taken," Committee on Rules, 103rd Congress, through July 14, 1993.

OPEN VERSUS RESTRICTIVE RULES—103d CONGRESS

Rule number and date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58—Feb. 2, 1993	MC	H.R. 1: Family and Medical leave	30 (D-5; R-25)	3 (D-0; R-3)	PQ: 246-176 A; 259-164 (2/3/93)
H. Res. 59—Feb. 3, 1993	MC	H.R. 2: National voter registration act	19 (D-1; R-18)	1 (D-0; R-1)	PQ: 248-171 A; 249-170 (2/4/93)
H. Res. 103—Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D-2; R-5)	0 (D-0; R-0)	PQ: 243-172 A; 237-178 (2/24/93)
H. Res. 106—Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D-1; R-8)	3 (D-0; R-3)	PQ: 248-166 A; 249-163 (3/3/93)
H. Res. 119—Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (D-4; R-9)	8 (D-3; R-5)	PQ: 247-170 A; 248-170 (3/10/93)
H. Res. 132—Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental approps.	37 (D-8; R-29)	1 (not submitted) (D-1; R-0)	A: 240-185 A (3/18/93)
H. Res. 133—Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D-2; R-12)	4 (1-D not submitted) (D-2; R-2)	PQ: 250-172 A; 251-172 (3/18/93)
H. Res. 138—Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D-8; R-12)	9 (D-4; R-5)	PQ: 252-164 A; 247-169 (3/24/93)
H. Res. 147—Mar. 31, 1993	C	H.R. 1430: Increase public debt limit	6 (D-1; R-5)	0 (D-0; R-0)	PQ: 244-168 A; 242-170 (4/1/93)
H. Res. 149—Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D-1; R-7)	3 (D-1; R-2)	A: 212-208 (4/28/93)
H. Res. 164—May 4, 1993	O	H.R. 820: Natl. Competitiveness Act	N/A	N/A	A: Voice Vote (5/5/93)
H. Res. 171—May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	N/A	N/A	A: Voice Vote (5/20/93)
H. Res. 172—May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	N/A	N/A	A: 308-0 (5/24/93)
H. Res. 173—May 18, 1993	MC	S.J. Res. 45: U.S. forces in Somalia	5 (D-1; R-5)	6 (D-1; R-5)	A: Voice Vote (5/20/93)
H. Res. 183—May 25, 1993	O	H.R. 2244: 2nd supplemental approps	N/A	N/A	A: 251-174 (5/26/93)
H. Res. 186—May 27, 1993	MC	H.R. 2348: Omnibus budget reconciliation	51 (D-19; R-32)	8 (D-7; R-1)	PQ: 252-178 A; 236-194 (5/27/93)
H. Res. 192—June 9, 1993	MC	H.R. 2348: Legislative Branch appropriations	50 (D-6; R-44)	6 (D-3; R-3)	PQ: 240-177 A; 226-185 (6/10/93)
H. Res. 193—June 10, 1993	O	H.R. 2200: NASA authorization	N/A	N/A	A: Voice Vote (6/14/93)
H. Res. 195—June 14, 1993	MC	H.R. 5: Striker replacement	7 (D-4; R-3)	2 (D-1; R-1)	A: 244-176 (6/15/93)
H. Res. 197—June 15, 1993	MO	H.R. 2333: State Dept. H.R. 2440: Foreign Aid	53 (D-20; R-33)	27 (D-12; R-15)	A: 294-129 A; (6/16/93)
H. Res. 198—June 16, 1993	C	H.R. 1876: Ext. of Fast Track	N/A	N/A	A: Voice Vote (6/22/93)
H. Res. 200—June 16, 1993	MC	H.R. 2295: Foreign Operations Appropriations	33 (D-11; R-22)	5 (D-1; R-4)	A: 263-160 (6/17/93)
H. Res. 201—June 17, 1993	O	H.R. 2403: Treasury-Postal appropriations	N/A	N/A	A: Voice Vote (6/17/93)
H. Res. 203—June 22, 1993	MO	H.R. 2445: Energy & Water Appropriations	N/A	N/A	A: Voice Vote (6/23/93)
H. Res. 206—June 23, 1993	O	H.R. 2150: Coast Guard Authorization	N/A	N/A	
H. Res. 217—July 14, 1993	MO	H.R. 2010: National Service Trust Act	N/A	N/A	

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

Mr. BEILSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma. [Mr. MCCURDY].

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

I am not going to take long, Mr. Speaker, but I rise only because I think there has been considerable rhetoric given in the past few days regarding national service.

As one who is a strong proponent of not only national service and community service but also the bill that is before this House, I thought it was im-

portant that at least some of us stand up and try to again, for the sake of the public record and for those who are listening, state what this bill is not and perhaps what this bill actually does.

I notice on the other side of the aisle my distinguished colleague and friend, the gentleman from Connecticut [Mr. SHAYS], who like myself has been a strong proponent of this legislation and has been a tremendous contributor to this bill, who understands community and public service, who himself was a member of the Peace Corps.

□ 1820

Mr. Speaker, the national service bill that we will be debating and that we will be considering either tomorrow or the remainder of this week is not a volunteer bill, it is not voluntarism. We had the Thousand Points of Light discussed. It is important to support voluntarism in America. No one wants to undermine that, or undercut voluntarism. It is a staple of the American way of life, and an important one. We value that.

However, this is not a volunteer bill. On the other extreme, it is not a public jobs bill. It is not a public works bill.

It is not, as my colleague, the gentleman from California, said, a make-work program. It is truly national service.

We are building on the successful programs in the communities that have tried this through pilot programs, such as the Boston Year Program, or the ones in Philadelphia, New York City, the State of California, the one recently established in the State of South Carolina, where individuals will commit full-time service in their communities for a year, drawing minimum wage.

Unfortunately, there are many in our society who want to contribute, who want to provide service, who cannot afford to volunteer full time because they have to live. They have to have housing, they have to be able to eat, they have to be able to provide for themselves and others.

As one young lady that I met with in Boston, a young African-American woman who had a child, stated so clearly and vividly the fact that this program she was involved in, a pilot program of national service, helped turn her life around. She now had direction, had learned some life management skills, and because of this was going on to further education.

There are young people by the score across this country who seek real national service, who look for the opportunity. As one who serves on the Committee on Armed Services, who believes in the all-volunteer force, as we reduce that force substantially over the next few years we are going to deny opportunity for a large number of young people who would not have any other alternative course to improve their lives, to get them training, establish some discipline, and at the end of that service have some meager voucher to take and apply to their further education.

This bill, as I indicated, is not voluntarism. It is not a make-work program. If the Members will notice, one SHAYS and the gentleman from Wisconsin [Mr. GUNDERSON], Republican Members of this body, stated, and I thought it was interesting, they said, "National service, a Republican idea."

Mr. Speaker, I do not think it is a Republican idea or a Democratic idea. I believe this is truly a democratic notion, an American notion, that we want to change the entitlement mentality in America.

This is not an entitlement program, this is an appropriated bill. If it does not work, if it turns out to be a failure, then we do not appropriate the funds and it can be terminated very quickly.

However, I believe it will be successful, because this is building on the core values of America. At the same time, we are going to address one of those critical social deficits we have in America. We are going to provide opportunities for young Americans to

give something back to their country, to provide support in their communities where they need it the most.

All we are going to say is, we are going to give them a voucher so they can go further their education, not based on financial need, not based on where they come from, not based on their race, religion, or sex. We are going to say we are going to provide that opportunity "because you earned it, simply because you earned it. You spent a year of your life helping other people, drawing minimum wage, and at the end of that time we are going to give you a \$5,000 voucher. If you decide not to use it to go to college, do not use the full amount, then it does not go beyond that."

It is just a small point that we are going to say, "You have earned this benefit."

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

Mr. MCCURDY. I am glad to yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for his very complimentary remarks about my statement.

What I would like to ask my friend is if he is aware of the level of compensation that is provided for those in this volunteer program, juxtaposed to those who are benefiting under the GI program.

Mr. MCCURDY. Absolutely. Charlie Moskos, who is one of the premier military sociologists in America, and I, worked to develop a national service program which is not here today, which is far more generous than what the GI bill advocated.

SAM NUNN, the distinguished Senator from the other body, from Georgia, and I introduced a national service bill that had a voucher of \$10,000. The bill we have today is \$5,000.

The original proposal was for \$7,400. Because of the negotiations and the concerns of my colleagues on the other side of the aisle, the gentleman from Wisconsin [Mr. GUNDERSON], the gentleman from Connecticut [Mr. SHAYS], and others, and the veterans community that we dealt with honestly and openly, we reduced the amount to \$5,000.

The actual education voucher, and I will respond to the question, is slightly more than what is offered in the GI bill, but the difference is that we are not talking about minimum wage. In the military today we are paying privates and enlistees very generous wages and health care benefits. When we look at the total value of the GI bill, with the stipend given to military service plus the health care and other benefits after they separate from the military.

Mr. DREIER. If the gentleman will continue to yield, I just thought it was very important for us to show that at the outset, there is a higher level of

compensation for this volunteer program than there is for those who are fighting on behalf of our country.

I thank the gentleman for yielding to me.

Mr. MCCURDY. The gentleman's last statement, with the figures that I have, is not an accurate statement. Let me just state for the record, under the Civilian National Service Program, if we include the stipends, and this was based on the \$7,400, and it is now at \$5,000, the total for 2 years of service is \$16,820. For basic pay for 2 years of active duty in the armed services plus the educational benefit, it is \$21,018.

Mr. DREIER. Mr. Speaker, if my friend would further yield, I would just like to raise this question. I was trying to specifically raise the issue of the education benefit, not all these other benefits that are accrued and provided to those who have provided military service for the country.

The gentleman's staff has just provided him with figures there. I do not have a member of the committee providing that to me, but the way I understand it, we see the education benefit that is provided to those who are in this volunteer program at a higher level than the education benefit that is actually provided to those who have been in the military.

Mr. Speaker, I think this is an important point, and I think this is something we need to raise. For a 2-year enlistment, a servicemember contributes, in the military, \$1,200 to the Montgomery, SONNY MONTGOMERY, the author of the GI bill, a cosponsor of the national service bill we will be debating, he contributes \$1,200 and qualifies for \$11,700 at the end of the 2-year enlistment, for a total of \$10,500.

For 2 years active duty plus 2 years reserve and 4 years individual reserve enlistment, he receives, after reduction of his contribution, \$13,200. For the national service, it is a maximum of \$10,000 for the 2 years of service, so in fact, it is less than it is for the GI bill. Previously, it would have been more. We reduced it because of that very concern.

Mr. Speaker, I thank the distinguished gentleman from California for his time. Mr. Speaker, I want to commend the chairman of the Committee on Education and Labor for his determined and thoughtful stewardship of this bill through the committee, and again to my colleagues on the other side who have truly worked to make this a bipartisan proposal.

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Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to my good friend, the gentleman from East Petersburg, PA [Mr. WALKER], the deputy whip on the minority side.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, I think my concern stems from something that I raised

during the general debate, and that is that it is true that this is not a case of volunteerism. What we are talking about here is that national service is simply another term for adding 25,000 new Federal employees to the rolls.

Nowhere do I go in America that they believe that the solution to our Nation's problems is to increase the Federal work force by another 25,000 people. Most people that I talk to believe that there is some necessity to reduce the size of the Federal Government, to reduce the number of Government employees, not to increase them, and yet what we are talking about here is increasing Federal employment.

I am wondering as I look at this rule whether or not that relates directly to the fact that we have to waive both the Budget Act and rule XXI, clause 5(a). Can the gentleman from California [Mr. DREIER], tell me when we waive section 302(f) of the Congressional Budget Act what it is we are doing here?

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

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

Mr. DREIER. There are a wide range of things we are doing here. One of the things that concerns me is that we are taking VISTA and Peace Corps volunteers and basically incorporating them in the Civil Service Retirement Program, which is something that is very, very disconcerting to me. I am surrounded here by some former VISTA and Peace Corps volunteers who have done spectacular service for our country, but it seems to me that the Peace Corps and VISTA programs were not established to be a springboard from which one would establish a career in working for the Government. But that is basically what this does with this budget waiver, it provides an opportunity for people to utilize the time that they put in as volunteers as Government service time.

Mr. WALKER. So when those programs were created, they were created with much of this kind of an idea behind them. The same concept that spurs national service was behind the Peace Corps and VISTA when they were created, and that was that they would be an opportunity for primarily young people, but people beyond youth as well, to give some of their time to their country.

Now what we have done in this bill, as I understand it, is we have converted that time spent into time that can count toward retirement.

Mr. DREIER. Absolutely.

Mr. WALKER. So we have now admitted flatly that during that period of time that they were in, that they were in fact Federal employees. Now we are coming back and suggesting that in this program well, no, this one is going to be different. We did not mean it 25 years ago when we said it was vol-

untary time, because now we are including that time for purposes of Federal employment. But this time we mean it. These people are not going to be Federal employees.

I think that this budget waiver is in fact proof positive that what I have been saying with regard to the fact that this adds 25,000 new Federal employees to the payroll is in fact the case. This bill basically takes the whole idea of volunteerism, converts it over into Federal employment for the purposes of Federal retirement.

So what we have here is both an attempt to get around the Budget Act, and interestingly enough, an appropriation in an authorization bill. So what we now have is the authorizing committee also appropriating money that we do not have.

I think that this rule tells us a lot of what is wrong in this bill.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. FORD] chairman of the Committee on Education and Labor.

Mr. FORD of Michigan. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, as the former chairman of the Post Office and Civil Service Committee for 10 years, and the author of the present Federal pension system with the Senator from Alaska back in 1968, in cooperation with the Reagan administration, I would like to compliment the gentleman from Pennsylvania for the great performance of I believe a Shakespearean play called "Much Ado About Nothing."

They already have the conversion right under the CSRS, the old pension system. All we are doing is upgrading that right so that they can come into the new system, which also puts them into Social Security, to pay into Social Security like the Members of the House and our staffs. We do not give anybody any credit for their service in the Peace Corps. We do not give anybody any financial reward for service in the Peace Corps or in VISTA.

We simply say, as we said to other people when they were in the military in World War II, you did not expect to get anything like the GI bill, and I am one of the people who benefited from that, but Congress decided that it was worthwhile, your effort was worthwhile, and we wanted to give it to you.

What we are talking about here is maybe five or six people who would be asked to come into the headquarters of this program, using their experience from programs like VISTA and the Peace Corps, and we are saying to them if you had been over there doing something else, and you will come and do this, we will let you buy the time as if you were covered by the pension system during the 2 years that you were in VISTA or in the Peace Corps.

It is much ado about nothing. It is pennies. It is kind of a silly argument.

I hate to dignify it by responding, but the American public at least ought to understand when somebody is trying to pull the wool over their eyes.

Mr. DREIER. Mr. Speaker, I yield 1 minute to my friend, the gentleman from East Petersburg, PA [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding the time.

I guess what we have just been told is that the Budget Act is being waived for pennies. The gentleman has just told us that we are talking about pennies here. It is much ado about nothing.

All I see is a rule that suggests that we have to waive both the Budget Act and rule XXI, clause 5(a) in order to accomplish what the gentleman tells us is much ado about nothing and is a matter of pennies.

My guess is that it is a little more serious than that when we have to bring a whole rule to the floor and waive both rules of the House and the Budget Act in order to accomplish what the gentleman regards as much ado about nothing. I think it is a matter of concern because I think it says very, very clearly that we are in this bill moving in brandnew directions, all of which are designed to increase Federal employment and increase obligations on the taxpayer for some time to come.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Stamford, Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Speaker, I thank my colleague for yielding the time. I am intrigued that he knows where all of our communities are besides our States.

Mr. Speaker, I would just want to say from the outset that I have been very grateful to Members on both sides of the aisle for how they have treated debate on this bill, and particularly grateful to the majority party for their open rule. I am not, like my colleague, troubled about the 24-hour preprinting requirement. I note there are 18 amendments. I was concerned as a supporter of this bill that we gave Members too much time to prepare amendments, because this rule was adopted weeks and weeks ago. So I feel fairly certain this bill has received a tremendous amount of scrutiny.

I also want to thank my colleagues, DAVE MCCURDY, HAROLD FORD, MARTY MARTINEZ, STEVE GUNDERSON, and others on the other side of the aisle, and the White House for the fact that they are allowing this House the opportunity to do its job, and do it correctly, to debate this bill openly, to consider any amendment that a Member would like to offer.

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I think the outcome of that will be a bill that many of us can feel comfortable supporting.

I would say to you that I do not view this as a volunteer program as my colleague, the gentleman from Oklahoma

[Mr. McCURDY], has pointed out. I view this as a national service that participants will participate in their local communities and their States at a minimum wage, receiving health-care benefits, many of whom will be very young and never need to receive any benefits and receive not cash at the end of their service but a stipend that allows them the opportunity to further their education.

I say to you that I am going to be very protective in this debate and will speak as strongly as I can about one amendment that seeks to make this a bill that will reward those who have the least amount of income and discourage those who may have more income from participating in the program. Because I am absolutely convinced that this program works if all income levels are involved in it and are encouraged to participate.

I am absolutely convinced that this bill requires the non-high-school graduate to be working next to the college graduate, and maybe even the graduate graduate, of all levels of income, and that is what is going to bring, I think, this country together in a way that we have not seen in a long time.

So I just congratulate my colleagues on the rule, except that I must say that I am left a little uneasy as a Peace Corps volunteer on the waiver of the budget rule and not certain yet what that last dialog really states about the waiver of the budget. That does cause me a bit of concern. But that is the only part that does cause me concern.

Mr. DREIER. Mr. Speaker, I urge a no vote on this rule.

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

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

Mr. Speaker, I do want to say a couple of words to close.

First of all, I do want to thank the gentleman from Oklahoma [Mr. McCURDY], also the gentleman from Michigan [Mr. FORD], for their statements and for trying to set the record straight.

I want to set another part of the record straight, if I might. The gentleman from California [Mr. DREIER], my good friend, in discussing the waivers of the points of order said, and I quote him on two occasions, first, "There is no excuse for waiving the points of order," and, second, that, "We are constantly ignoring rules around here."

I explained in my opening remarks why I thought we should be making these waivers, why they were reasonable, and why, in my opinion, they were minor and technical waivers. I strongly disagree with the characterization of them given by my friend from California and given also by the gentleman from Pennsylvania.

The waivers are given for three specific purposes, and I will repeat them so that Members who may be listening understand. One, the waiver was necessary to address in sections 193 and 194 the creation of the positions of two managing directors, an inspector general, and a chief financial officer for the Corporation for National Service, four positions. This is a big thing we are talking about; obviously you have to have some management involved, and we are talking about four positions. These positions are to be compensated at the rate provided for level 4 of the executive pay schedule, and because the bill itself provides for this pay level, it is technically in violation of the Budget Act.

Second, another provision would allow Peace Corps and certain Vista volunteers who later become Federal employees to credit the time served in their computation of retirement benefits. They must, however, pay the required funds for that time period themselves. The gentleman, the distinguished chairman, said that there were probably five or six people involved here, at most, that we are talking about here.

Finally, the waiver was necessary for provisions in the bill, which as I explained earlier on, that would allow the Corporation for National Service and other Federal agencies to accept donations in support of the National Service Program and to spend those funds for the program. That is deficit-neutral. They will be taking in some funds, and they will spend those funds. That is a technical violation. It is also a technical violation of clause 5(a) of rule XXI. So we had to have the waivers.

In my opinion, in this gentleman's opinion, the opinion of the vast majority of members of the Committee on Rules, and I would hope the Members of this body, these were technical and nonsubstantive waivers. They are absolutely necessary if we are ever to take up, on this floor, any major piece of legislation. They do not break the Budget Act. They do not constitute much additional spending and, frankly, I think the gentleman's characterization of them was misleading to other Members who may have been listening to the gentleman.

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

Mr. BEILENSON. I am happy to yield to the gentleman from California.

Mr. DREIER. Let me just say that the explanation my friend has given is absolutely accurate, but from my perspective it confirms the description provided of this rule.

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

Mr. BEILENSON. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

The gentleman from Michigan has indicated that only five to six employees are involved in this granting of the additional retirement benefits.

Mr. BEILENSON. It is a crediting of time, yes, which they have to pay for themselves.

Mr. WALKER. But as the gentleman knows, the paying for the time does not in any way constitute the same amount of money that they are likely to get out of those retirement benefits based upon the accrued benefits over a period of time, and so that could result in some kind of taxpayer subsidy of those retirement benefits based upon a couple of years of service.

And I am not so certain that I agree with the five or six.

Mr. BEILENSON. That is probably less than the taxpayer subsidy for the gentleman's retirement.

Mr. WALKER. I think that is probably true. That is true of all Federal benefits, however, and as long as we have the cost-of-living increases and if we do not go through and reform some of these pension structures as I would prefer to do, I think we are going to continue to have that, but to include more and more people under it and waive the Budget Act in order to do it is, I think, a cause for concern. That is the only thing that I have raised here.

I am not so certain that the number is five or six. It could, in fact, end up being significantly more than that based upon the waiver which is provided.

Mr. BEILENSON. Let us be straight about this. The gentleman is very much opposed to the bill. There is no way of carrying out a major program of this sort unless one can have 10 or 12 managerial types.

If someone were to be taken from people who have given some time prior to this time to the Peace Corps and to Vista and there is some way to entice them into this program because they are clearly the kinds of people you want in the program, it makes all the sense in the world to do so, providing they pay for their own contributions during those 2 years.

I mean, otherwise there is no way of running any program around here, as the gentleman understands. These are in fact, as this gentleman is trying to point out, minor waivers of the Budget Act and of rule XXI, and for anyone to suggest otherwise is absolutely incorrect.

Mr. WALKER. The problem is, of course, that all of the waivers that we have of the Budget Act sound like they are being—

Mr. BEILENSON. These specific waivers are, and I am a little tired of the gentleman standing up and speaking the same way about all waivers that are given. This is not a major waiver. These are not major costs. There is no way to run such a program without granting these waivers.

Now, I wish that the gentleman would understand that and accept that.

Mr. WALKER. It all depends on what the gentleman regards as minor. I mean, this could amount to several thousands of dollars.

Mr. BEILENSEN. Yes, several thousands of dollars.

Mr. WALKER. And that may be minor in the gentleman's regard. But \$5,000 represents all the taxes paid by one middle-class family in this country. That is a lot of money to them, and when we start waiving the Budget Act, we start having an impact on every one of those middle-class families that paid \$5,000.

Mr. BEILENSEN. The gentleman would have a much larger impact, if this gentleman would say so, to wait and to point out to the Members every now and then when we do, in fact, waive the Budget Act when it is terribly important, terribly substantive, and involves substantial amounts of money.

I really think, if this gentleman may say so, that the gentleman loses a little credibility by making objections to minor waivers such as this.

Mr. WALKER. If the gentleman would yield further, I have attempted to point out on a number of occasions when we have had major waivers as well, and as I recall, there has been very little willingness by the majority party to vote down rules that have the major waivers in them either, so it really does not get us very far here on the House floor to object to them whether they are major or minor, because the majority is determined to waive the Budget Act whenever it is convenient for them to do so.

Mr. BEILENSEN. That happens, for those who may be listening, not to be true, if this gentleman may say so.

The Committee on Rules this year has not been in the habit of waiving the Budget Act for major matters or substantive matters. It is almost always a minor technical violation such as the three included in this particular rule, and it would be useful to everybody listening, whether they are Members of the body or members of the public, if the gentleman would differentiate between the two kinds.

Mr. WILLIAMS. Mr. Speaker, I rise to support H.R. 2010, the National Service Trust Act of 1993. This is a bipartisan bill that deserves the bipartisan support of this body.

I have been a supporter of national service legislation for quite some time. I sponsored legislation in 1990, with a number of my colleagues, that expanded on the proud history of national service legislation that we have enacted in the past, a history that includes Franklin D. Roosevelt's Civilian Conservation Corps and John Kennedy's Peace Corps and continues with VISTA, the Foster Grandparents Program, the National Senior Volunteer program, and many other community service initiatives.

Prior to that 1990 legislation, I had introduced in previous Congresses the American

Conservation Corps bill, which was modeled after similar legislation introduced by my good friend and former colleague, Chairman Mo Udall. That bill added to the types of activities that could be done on public lands and also added labor protection language to insure that substitution of already employed existing workers would clearly be prohibited. That legislation became a part of the 1990 national service bill, which is now the law of the land.

So, we have had a proud history of enacting national service initiatives, and it is a history that Bill Clinton seized upon in last year's election, touching the hopes, spirits, and ideals of young people across this country, resulting in the legislation that he has proposed and which we consider today.

This is a good bill. It rejects the cynicism and the me-only attitude of the past decade and builds on the premise that there is indeed a responsibility that we all have to do something for our country. It acknowledges that young people today do indeed want to give something back to their communities, and it provides a way for them to perform useful community service. And recognizing that the cost of college has escalated beyond the reach of many of our citizens, it also provides college funding aid to those who take part in national service activities.

In the past, I have had reservations about national service proposals that tied college aid to service. The difference between the bill before us today and those past proposals is that those proposals would have replaced existing student aid programs with a national service requirement. Thus, the only way someone could have received college assistance was by performing national service. To me that meant that only those who needed help the most to pay for college would have been involved in national service. President Clinton has wisely rejected these past proposals and has sought to build on existing programs, not replace them. I think this will greatly expand the reach of national service, involving people from every economic class in our country. I think the President has made a wise decision.

The legislation before us today also includes provisions of the Public Land Corps Act that I recently introduced with my colleagues Mr. VENTO and Mr. MILLER. These provisions establish a new public land corps and expand the opportunities for youth conservation service in America's National Parks, Forests, Wildlife Refuges and other public lands. All of these are experiencing overuse, inadequate maintenance, and an infrastructure that has a backlog of work that is in desperate need of assistance. This Public Land Corps will help address these unmet environmental and conservation needs. These will not be make-work projects; they will be projects that need to be done but which will never be done unless there is a new infusion of workers to do them. By including this Public Land Corps in this bill we will provide that corps of workers, and at the same time we will be giving these young people who make up that corps the chance to get college assistance or job training. I am pleased that this is included in the bill we are considering today.

However, I must point out that I do have serious concerns and reservations about funding for this important program. The way this bill is

currently structured, national service will compete with the space program, with veterans programs, and with housing programs for funding. I fear that this competition might result in this national service program not receiving the funds it deserves. I hope not. Yet I also do not want to see national service take money away from existing student aid programs. Those programs are already sorely underfunded. For example, the Pell Grant Program does not even begin to meet the needs that are out there. A decade ago the Pell Grant program covered 46 percent of the average college cost; today it covers only 23 percent. The education funding bill that we recently passed lowers the maximum Pell award from \$2,300 to \$2,250. Two years ago that maximum was \$2,400. So in my opinion we are going the wrong way with existing student aid programs. And I for one will do all that I can to see that existing student aid programs receive the support they need and deserve, and that this new national service legislation will not take funds away from them. We need both a strong student aid system and a strong national service program. They are complements to one another, and we must make sure that they remain so.

Mr. Speaker, this is a good bill that touches all that is right about this country. It reflects the spirit of helping others, of giving a little bit back to one's community and one's nation. After years of taking during the me-decade, it's time to give something back and become the us-decade. That's what this bill is about. And I urge my colleagues to support it.

Mr. BEILENSEN. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

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

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

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

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this resolution will be postponed until tomorrow, July 21, 1993.

The point of order of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. BEILENSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 217, the resolution just considered.

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

There was no objection.

**ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE**

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

Such roll call vote, if postponed, will be taken tomorrow, Wednesday, July 21, 1993.

**SECURITIES AND EXCHANGE COMMISSION
AUTHORIZATION ACT
OF 1993**

Mr. **MARKEY**. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2239) to authorize appropriations for the Securities and Exchange Commission, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2239

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 "Securities and Exchange Commission Authorization Act of 1993."

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 35 of the Securities Exchange Act of 1934 (15 U.S.C. 78kk) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 35. There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission—

- "(1) \$281,900,000 for fiscal year 1994; and
- "(2) \$317,700,000 for fiscal year 1995.

Funds appropriated for any fiscal year pursuant to this section are authorized to remain available during the succeeding fiscal year."

SEC. 3. SECURITIES AND EXCHANGE COMMISSION FEES.

(a) **FULL COST RECOVERY OF COMMISSION EXPENSES.**—The Securities Exchange Act of 1934 is further amended by inserting after section 31 the following new section:

"FULL COST RECOVERY OF COMMISSION EXPENSES

"SEC. 31A. (a) **PURPOSE.**—It is the purpose of this section—

"(1) to establish a system for the annual adjustment of fees collected by the Commission so that the total amount appropriated to the Commission for any fiscal year will be offset by the amount collected during such fiscal year; and

"(2) in order to permit an orderly transition to this method of funding the Commission, to require that such fees continue to collect general revenues during each of the fiscal years 1994 through 1998 in amounts commensurate with the amount of such revenues produced by such fees prior to the enactment of this section.

"(b) **ESTABLISHMENT OF ADJUSTED RATES.**—

"(1) **OBLIGATION TO ADJUST RATES TO RECOVER COSTS.**—For each of the fiscal years after fiscal year 1993, the Commission, by rule or order, shall adjust the rate of each of the fees described in subsection (c) to secure (when combined with fees collected during

the period from October 1 through December 31 under the rates then in effect) a total amount of collections of such fees during such fiscal year that can reasonably be expected to equal the sum of—

"(A) the applicable surplus amount for such fiscal year, if any; and

"(B) subject to subsection (e)(1), the amount appropriated for such fiscal year of this title (determined without regard to any reduction of the net amount appropriated that is attributable to offsetting collections).

"(2) **METHOD OF ADJUSTMENT.**—Such rates shall be adjusted by making an equal proportionate change in each of such rates, except that the Commission may round such proportionate changes to avoid requiring rates that are unduly mathematically complex.

"(3) **EFFECTIVE DATE OF ADJUSTMENTS.**—Such adjusted rates shall apply—

"(A) with respect to any fee described in paragraph (1), (2), (3), or (5) of subsection (c), to any fee paid on or after January 1 of such fiscal year; and

"(B) with respect to any fee described in paragraph (4) of such subsection, to any fee based on a transaction occurring on or after January 1 of such fiscal year.

Any such adjusted rate shall continue to apply until the effective date of a subsequent adjusted rate.

"(c) **FEES TO WHICH ADJUSTMENTS APPLY.**—For purposes of this section, the fees described in this subsection are—

"(1) the fees collected under section 6(b) of the Securities Act of 1933;

"(2) the fees collected under section 13(e) of this title;

"(3) the fees collected under section 14(g) of this title;

"(4) the fees collected under section 31 of this title; and

"(5) the fees collected under section 203A of the Investment Advisers Act of 1940.

"(d) **APPLICABLE SURPLUS AMOUNT.**—For purposes of subsection (b)(1)(A), the applicable surplus amount is equal to—

"(1) \$171,000,000 for fiscal year 1994;

"(2) \$174,000,000 for fiscal year 1995;

"(3) \$178,000,000 for fiscal year 1996;

"(4) \$181,000,000 for fiscal year 1997;

"(5) \$184,000,000 for fiscal year 1998; and

"(6) zero each succeeding fiscal year.

"(e) **DEPOSIT AND CREDIT OF OFFSETTING COLLECTIONS.**—

"(1) **OFFSETTING COLLECTIONS CONTINGENT ON APPROPRIATIONS.**—The authority of the Commission to collect and deposit fees as offsetting collections pursuant to paragraph (2) is available only to the extent provided in advance in appropriations Acts.

"(2) **OFFSETTING COLLECTIONS.**—Of the moneys received during any fiscal year from fees described in subsection (c), there shall (subject to paragraph (1)) be deposited as an offsetting collection in, and credited to, the account providing appropriations to carry out the functions described in the sections referred to in such subsection, an amount equal to the amount appropriated to the Commission for such fiscal year (determined without regard to any reduction attributable to such offsetting collections and excluding any amounts that are permitted to remain available after the close of the succeeding fiscal year).

"(3) **GENERAL REVENUES.**—The remainder of any moneys received during any fiscal year (after complying with paragraph (2)) shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(f) **JUDICIAL REVIEW; REPORTS TO CONGRESS.**—The determinations and adjustments

made by the Commission under this section shall not be subject to judicial review. The Commission shall, not less than 30 days before the effective date of any adjustments required by this section, submit such adjustments to the Congress together with a report explaining the estimates and calculations on which such adjustments are based.

"(g) **RECLASSIFICATION FOR BUDGET PURPOSES.**—

"(1) **EFFECT ON DISCRETIONARY SPENDING LIMITS.**—For purposes of complying with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, the change mandated by subsection (e) of this section in the budgetary treatment of certain moneys received from fees shall be treated as a change in concepts and definitions within the meaning of section 251(b)(1)(A) of that Act. Accordingly—

"(A) at the earliest time allowed by section 251(b)(1) of that Act, the Director of the Office of Management and Budget shall adjust the discretionary spending limits in accordance with section 251(b)(1) to reflect this change in concepts and definitions; and

"(B) if a final sequestration report under section 254(g) of that Act is issued before the adjustment under subparagraph (A) occurs, the change in budgetary treatment mandated by subsection (e) of this section shall be disregarded for all purposes of that report.

"(2) **EFFECT ON PAY-AS-YOU-GO LIMITS.**—The changes mandated by this section shall be treated as affecting receipts for purposes of section 252 of that Act only to the extent that the applicable surplus amount differs from the surplus amount in the baseline. For this purpose, the surplus amount in the baseline shall be determined by subtracting the baseline estimate of outlays of the Commission from the baseline estimate of receipts generated by the fees described in subsection (c)."

"(b) **ADJUSTMENT OF FEES TO RECOVER COSTS.**—

"(1) **CHANGES IN APPLICATION AND COLLECTION OF TRANSACTION FEES UNDER SECTION 31 OF THE SECURITIES EXCHANGE ACT OF 1934.**—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"TRANSACTION FEES

"SEC. 31. (a) **COST RECOVERY.**—The Commission shall, in accordance with this section and subject to section 31A(e), collect transaction fees to recover the costs of supervision and regulation of, and enforcement with respect to, securities markets and securities professionals. Such costs shall include a proportional share of related Commission expenses in the following areas: enforcement activities, policy and rulemaking activities, administration, legal services, investor information services, and international regulatory activities.

"(b) **EXCHANGE-TRADED SECURITIES.**—Every national securities exchange shall pay to the Commission a fee in an amount equal to 1/300th of 1 percent of the aggregate dollar amount of sales of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange.

"(c) **OFF-EXCHANGE-TRADED SECURITIES.**—For transactions occurring on or after January 1, 1994, every national securities association shall pay to the Commission a fee in an amount equal to 1/300th of 1 percent of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange of—

"(1) securities registered on such an exchange (other than bonds, debentures, and other evidences of indebtedness); and

"(2) securities (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last sale reporting pursuant to the rules of a registered national securities association.

"(d) DATES FOR PAYMENT OF FEES.—For transactions occurring on or after January 1, 1994, the fees required by subsections (b) and (c) shall be paid semiannually. Fees shall be paid on September 15 for transactions occurring during the period from the preceding January 1 through June 30, and shall be paid on March 15 for transactions occurring during the period from the preceding July 1 through December 31.

"(e) EXEMPTIONS.—The Commission, by rule, may exempt any sale of securities or any class of sales of securities from any fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.

"(f) RATES SUBJECT TO ADJUSTMENT AND CONTINGENT ON APPROPRIATIONS.—The fees required by this section are subject to adjustment by the Commission pursuant to section 31A of this title. The authority to collect such fees and the total amount of such fees are subject to subsection (e) of such section."

"(2) REGISTRATION FEES.—Section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) is amended to read as follows:

"(b)(1) The Commission shall, in accordance with this subsection and subject to section 31A(e) of the Securities Exchange Act of 1934, collect registration fees to recover the costs of services of the securities registration process. Such costs shall include a proportional share of related Commission expenses in the following areas: enforcement activities, policy and rulemaking activities, administration, legal services, investor information services, and international regulatory activities.

"(2) At the time of filing a registration statement, the applicant shall pay to the Commission a fee of $\frac{1}{2}$ of 1 percent of the maximum aggregate price at which such securities are proposed to be offered, but in no case shall such fee be less than \$100.

"(3) The fees required by this subsection are subject to adjustment by the Commission pursuant to section 31A of the Securities Exchange Act of 1934. The authority to collect such fees and the total amount of such fees are subject to subsection (e) of such section."

(3) SELF-TENDERING TRANSACTIONS.—Section 13(e)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(e)(3)) is amended—

(A) by inserting after "(3)" the following: "The Commission shall, in accordance with this paragraph and subject to section 31A(e), collect fees to recover the costs of supervision and regulation of, and enforcement with respect to, disclosure relating to transactions subject to this subsection. Such costs shall include a proportional share of related Commission expenses in the following areas: enforcement activities, policy and rulemaking activities, administration, legal services, investor information services, and international regulatory activities."; and

(B) by striking " $\frac{1}{2}$ of 1 percent" and inserting " $\frac{1}{2}$ of 1 percent"; and

(C) by adding at the end thereof the following: "The fees required by this paragraph are subject to adjustment by the Commission pursuant to section 31A of the Securities Exchange Act of 1934. The authority to collect such fees and the total amount of such fees are subject to subsection (e) of such section."

(4) PROXY FILING FEES.—Section 14(g) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(g)) is amended—

(A) by striking " $\frac{1}{2}$ of 1 percent" each place it appears in paragraphs (1)(A)(i), (1)(A)(ii), and (3) and inserting " $\frac{1}{2}$ of 1 percent";

(B) by redesignating paragraphs (1) through (4) as paragraphs (2) through (5);

(C) by striking such subsection designation and by inserting before such redesignated paragraph (2) the following:

"(g)(1) The Commission shall, in accordance with this paragraph and subject to section 31A(e), collect proxy filing fees to recover the costs of supervision and regulation of the proxy filing and disclosure process. Such costs shall include a proportional share of related Commission expenses in the following areas: enforcement activities, policy and rulemaking activities, administration, legal services, investor information services, and international regulatory activities."; and

(D) by adding at the end thereof the following new paragraph:

"(6) The fees required by this subsection are subject to adjustment by the Commission pursuant to section 31A of this title. The authority to collect such fees and the total amount of such fees are subject to subsection (e) of such section."

(c) EFFECTIVE DATES.—Except as otherwise provided therein, the amendments made by this section are effective for fiscal years after fiscal year 1993.

SEC. 4. FEE STRUCTURE STUDY.

(a) STUDY REQUIRED.—The Securities and Exchange Commission shall conduct a study of the structure and procedures for the collection of fees by the Commission pursuant to the amendments made by this Act. Such study shall include (but not be limited to) an examination of—

"(1) the expanding statutory mandate and regulatory responsibilities of the Commission,

"(2) the adequacy of current fees to meet Commission resource needs,

"(3) the possible need for new fees in specific program areas,

"(4) the extent to which beneficiaries of Commission regulatory activities equitably share fee burdens, and

"(5) the impact of specific fees on the international competitiveness of United States markets.

(b) REPORT REQUIRED.—Not later than March 31, 1995, the Commission shall submit to the Congress a final report containing a detailed statement of findings made and conclusions drawn from the study conducted under this section, including such recommendations for administrative and legislative action as the Commission determines to be appropriate.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

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

Mr. Speaker, today the House is considering legislation to authorize appropriations for the Securities and Exchange Commission for fiscal years 1994 and 1995 and to establish a mechanism for full-cost recovery of SEC expenses from the fees it collects.

The Securities and Exchange Commission is charged with overseeing the Nation's securities markets. For the past 60 years, the SEC has fulfilled this responsibility effectively, preserving the integrity, safety, and fairness of the U.S. securities markets. Although the Commission's activities involve a broad spectrum of securities matters, its ultimate responsibility lies in securing the protection of investors and in maintaining fair and orderly securities markets; markets which have grown in complexity and scope in recent years.

The last decade has witnessed phenomenal growth in securities activity. Along with a dramatically rising Dow, trading volume over the last 10 years has exploded in virtually all U.S. markets. Annual public offerings over the past 3 years nearly tripled. At the same time, the number of securities professionals peddling their wares and services to the public has risen emphatically. In the past decade, the number of registered broker-dealers increased to over 8,000, and the number of investment advisers over approximately the same period has skyrocketed by almost 260 percent, with assets under management rising more than 2,000 percent. Certain investment vehicles, such as mutual funds, have gone from the relative backwaters of the securities markets to the forefront of investor interest.

Other forms of growth are more subtle, but they have an equally profound impact. In recent years, there has been a creative explosion in new strategies such as program trading which have required more sophisticated analysis of their market impacts. Novel proprietary trading systems have arisen and are raising questions about the future organization of the stock market. It is often the thankless job of the regulator to keep abreast of these developments and to ensure that, while positive progress is not impeded, market and investor risks are understood and addressed.

Moreover, in recent years, the vigilance of the SEC staff has been both tested and rewarded in the face of a series of financial scandals which include the Salomon Brothers government securities misconduct, the Steven Wymer investment adviser indictment and, most recently, potential conflict-of-interest concerns regarding the municipal bond market. And with the revelations of each of these scandals have come calls for more sophisticated and elaborate mechanisms for SEC oversight in each of these marketplaces.

Every year, the SEC produces substantial revenue through its collection of registration, transactional, and other filing fees that go directly to the General Fund of the U.S. Treasury. This is in addition to the monies raised by the SEC through penalties and fines. Since 1983, the SEC has consistently collected revenues that exceed

the agency's annual appropriation. In fact, for fiscal year 1993, the SEC collected a total of \$406 million in fees from the industry, but was only appropriated a funding level of \$226 million—a difference of \$180 million which was not made available to an SEC struggling to keep pace with its important responsibilities.

This disparity between the appropriations level for the SEC and the amount of money actually collected by the SEC was raised during House floor debate on the SEC's appropriations level back in 1988. At that time, the idea of making the SEC a self-funded agency was also raised. Since 1989 the Energy and Commerce Committee has reported two separate bills which would have established the SEC as a self-funded agency. It is a solution that the committee has considered for some time, and one that will be to the benefit of all investors in our securities markets.

Under this new full cost recovery arrangement, the SEC would be authorized to use fee collections to offset its appropriations and to fund agency operations. Penalties and fines would not be included in the self-funding mechanism, and would continue to go directly into the Treasury as general revenue. So as to assure a smooth transitional period for the SEC in enacting this new method of funding, the bill has been crafted to be pay-go scorecard neutral and to have no negative deficit impact within the current budget window. It provides that the SEC will continue to collect general revenue during fiscal years 1994 through 1998 for the purposes of deficit reduction, in an aggregate amount of \$880 million. After that time, the SEC fees will once again resemble the user fees they were initially intended by Congress to be.

I would also note that this authorization continues to fund the SEC's operation of the EDGAR project, which is aimed at automating the filing of disclosure documents and their dissemination to the public. Over the last several months, the Telecommunications and Finance and Oversight and Investigations Subcommittees have been reviewing the SEC's strategy for public dissemination of EDGAR data.

Currently, this strategy relies on a private contractor to sell EDGAR data at a regulated wholesale price to retail information vendors, who will then sell the data—along with value-added services—to the public. This approach was chosen to minimize the cost to the government of funding an EDGAR dissemination system, but to date no retail market has yet developed for the data. Hopefully, this situation will soon change as more companies begin mandatory filings using EDGAR and retail information vendors enter the market.

At the same time, the public has a strong interest in obtaining access to information regarding the financial and operating condition of publicly-

traded companies. The ability to obtain this data in electronic form greatly enhances its usefulness to investors, analysts, and other interested parties because it allows EDGAR filing to be more efficiently reviewed and complex data searches and retrievals to be performed in a very short time. In this way, technology can help serve the public policy goals which underlie the full disclosure provisions of the Securities Act of 1933 and the Exchange Act of 1934.

Over the last several months, the Telecommunications and Finance Subcommittee has been closely monitoring the public dissemination issue, and has urged the SEC to undertake initiatives to make EDGAR data available on low-cost CD-ROMs through the Government Printing Office and allow the public access to floppy disks containing EDGAR data at SEC public reading rooms. The SEC has agreed to explore both options. In addition, the Telecommunications and Finance Subcommittee has been exploring mechanisms for getting EDGAR data onto the Internet. The SEC continues to work with the subcommittee on these initiatives to making EDGAR filings fully available over the Internet, a nationwide interconnected electronic highway which has grown to over 15 million users. In my view, these efforts will supplement the current dissemination strategy by assuring that many different types of potential users of EDGAR data can obtain access to this information.

This bill represents the collective work of several years worth of bipartisan effort on the part of the staffs of the Committees on Energy and Commerce, Appropriations, Budget, and Ways and Means, as well as CBO and OMB.

I urge my colleagues to support this important piece of legislation, which will provide the Commission with the financial tools necessary to continue to oversee our Nation's securities markets as effectively as possible.

Mr. Speaker, I report to the full House that the chairman of the full committee, the gentleman from Michigan [Mr. DINGELL], who has worked long and hard on this measure, gives his full support to it, along with all of the Democratic members on the House side on the Committee on Energy and Commerce.

As well, Mr. Speaker, I would like to note the work of the ranking minority member of the Subcommittee on Telecommunications and Finance, the gentleman from Texas [Mr. FIELDS]. We have worked over the last 6 months to construct this legislation. We think that it reflects a strong bipartisan product which deals with the very serious problems in the financial marketplace, while acting in a financially responsible way.

I would also like to note that the gentleman from California [Mr. MOOR-

HEAD], the ranking member of the full Committee on Energy and Commerce, and all the rest of the Republicans on that side, have participated in a long set of negotiations that wind up with this product being presented to the House today.

Mr. Speaker, it is our hope that it will in fact be received favorably.

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

Mr. FIELDS of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MOORHEAD], the ranking member of the Committee on Energy and Commerce.

Mr. MOORHEAD. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of H.R. 2239.

The Securities and Exchange Commission has helped the securities markets in the United States set the world standard for depth, liquidity, and honesty. Our regulatory systems and legal standards literally have become a model that other countries have emulated.

The SEC was last reauthorized in 1991. Since then, the Congress has enacted several pieces of legislation that have significantly increased the responsibilities of the agency. These include legislation on insider trading and enforcement remedies, stock market reform, and improving shareholder communications.

In addition, in the last few years, we have seen the SEC bring to justice Dennis Levine, Ivan Boesky, and Michael Milken for their insider trading, and Steven Wymer for his investment advisory fraud. The Commission's efforts have also crushed abuses in the penny stock market and they have led the charge for more and better disclosure by corporate insiders.

H.R. 2239 offers a solution to the pressing need of properly funding the Commission to meet its new responsibilities. Since January 1989, the SEC has sought congressional approval to change its funding status from appropriated to self-funded, like most of the other financial regulatory agencies.

Under a self-funding arrangement, the SEC would be authorized to use fee collections to fund all agency operations rather than rely on annual appropriated funds. The SEC would set its fee levels to completely recover any appropriation it received from Congress. Penalties and fines would not be included in the self-funding mechanism, and would continue to go directly into the treasury as general revenue. It is appropriate that the fees paid by the securities industry be used to the maximum extent reasonably possible to pay for Federal regulation of the securities industry.

For these reasons, I support this legislation and urge my colleagues to do so as well.

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Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2239, legislation reauthorizing the Securities and Exchange Commission.

Since its last reauthorization in 1991, the activities over which the commission has jurisdiction have increased significantly both in size and complexity.

First, the insider trading scandals produced legislation in which we demanded the SEC increase its efforts in policing insider trading.

Later, Congress granted the agency new enforcement authority in the market reform act and instructed them to use it.

Finally, the continuing scandal of the penny stock market produced a Congressional mandate to improve the monitoring of the special problems of markets for very low priced securities.

All these new laws placed demands on the already stretched resources of the agency. Now we must pass H.R. 2239 to insure that the agency has resources adequate to meet its responsibilities.

In its deliberations, the Telecommunications and Finance Subcommittee considered a number of funding options that ranged from separate congressional consideration of commission funding to the creation of a permanent revolving fund entirely outside the traditional appropriations process. Agreement was reached that the full cost recovery proposal of this bill was the most efficient program we reviewed.

Under a self-funding arrangement, the SEC will be authorized to use fee collections to fund all agency operations. The SEC would set its fee levels to completely recover any appropriation it received from Congress. The SEC will still be subject to the congressional authorization and appropriation process.

Mr. Speaker, the SEC must discharge responsibilities that have grown in their urgency and complexity. In the past, resources have failed to keep pace with the regulatory and oversight obligations of the agency. I believe this legislation will bring that situation to an end and I urge my colleagues to support it.

Also, Mr. Speaker, I want to commend our chairman, the gentleman from Massachusetts [Mr. MARKEY], for his dynamic leadership in not only crafting this piece of legislation, but also bringing it to the floor expeditiously.

Also, I want to compliment the chairman of the full committee, the gentleman from Michigan [Mr. DINGELL], as well as the ranking Republican, the gentleman from California [Mr. MOORHEAD], for their work in crafting and bringing this legislation to the floor. I think it is a good piece

of legislation and I commend it to my colleagues.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. First of all, Mr. Speaker, I rise in strong support of this bill.

The Securities and Exchange Commission as a general rule does an extraordinarily effective job of protecting consumers in the area of financial regulation, and the Energy and Commerce Committee does an extraordinary job of oversight in the area of securities regulation.

I have for some time felt that the way we regulate financial instruments, however, is based upon a New Deal mode of thinking. We have securities in one agency, futures in another agency, Treasury Department in a third agency, banking in a fourth agency. For some time I have felt that we ought to at least think about consolidating those regulatory functions.

What tends to happen in our society is that people will tend to work an area based upon who is regulating it, and they will design financial instruments to meet the test of who is regulating it, and oftentimes the public interest is not well served with that.

So this year I have coauthored a bill with the gentleman from Oregon [Mr. WYDEN] which merges the Commodity Futures Trading Commission and the Securities and Exchange Commission into a new agency that would regulate most financial instruments. That is not being done to say that the current method of regulating securities is not good. In fact, the current method of regulating securities is probably the best method that we have of regulating financial instruments out there. It is just that futures and options and securities are all one and the same thing. They all interrelate. They are all based upon similar financial

For a long time people in the futures area resisted any effort to try to merge or consolidate the regulation of securities and futures, but I think that thinking is ending, as more and more people recognize that in a modern global world there has to be a sensible, unified way of regulating futures and securities and all financial instruments.

So while I rise in support of this bill and I compliment the gentleman from Massachusetts (Mr. MARKEY) and the gentleman from Michigan (Mr. DINGELL) and the gentleman from Texas (Mr. FIELDS) for the way that they are involved in the regulation of these instruments, I still believe that Congress should modernize the regulation of these instruments, and in doing so merge the functions so that folks out there know that there is one Federal agency regulating financial instruments.

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

that is just to compliment Elise Hoffman from my staff, Consuela Washington of the full committee staff, and Stephen Blumenthal of the minority staff, for the excellent work which they did in helping to bridge whatever differences existed between the majority and minority side on this issue.

This is a critically important issue. The securities marketplace of the United States and of the globe is still in many ways the golden goose that makes it possible for investors in our country to use this middle-man mechanism to put capital into the hands of CEO's in this country so that we can in fact have investment in the kinds of companies that produce the jobs in our country.

There is nothing more central to our economy than what goes on during that mechanism. The fact that Democrats and Republicans on this floor are able to agree on a bill of this nature demonstrates our commitment to the continued growth and vitality of the capitalist system in our country.

Mr. DINGELL. Mr. Speaker, the U.S. Securities and Exchange Commission is one of the most widely admired regulatory agencies in the world. It basic mission is to require truthful disclosure and honest dealing in securities and to prevent and punish fraud. Dishonesty and fraud have no defenders. We ask the SEC to do much. The capital markets that it oversees are the heart of this Nation's economic system. We take it for granted that the SEC will be there, ever-vigilant, performing all the tasks we impose on it.

Having said all that, I need to bring to Members' attention a matter of great concern. This matter is the growing failure of SEC resources to keep pace with the agency's expanding workload. In order to provide the SEC with more adequate funding and the ability to maintain that funding over time, the Committee on Energy and Commerce has concluded that a full-cost recovery mechanism is necessary and appropriate.

Accordingly, H.R. 2239 will authorize appropriations for the SEC for fiscal years 1994 and 1995 in the amounts of \$281.9 million and \$317.7 million, respectively. The legislation also establishes a system for the annual adjustment of fees collected by the SEC so that the total amount appropriated to the SEC for any fiscal year will be offset by the amount collected during that fiscal year. This will secure the funding to the agency. H.R. 2239 further requires that these fees continue to collect general revenues, the surplus over offsetting collections, during the current budget window, that is, during each of the fiscal years 1994 through 1998.

The SEC brings in more money than it spends. The fees collected by the SEC, however, go the Federal Treasury as general revenue. The SEC gets no credit for or use of these moneys. H.R. 2239 will correct that imbalance.

This bill is the result of several years of bipartisan negotiations involving the Committee on Energy and Commerce, the Committee on Appropriations, the Budget Committee, the Committee on Ways and Means, and the

Committee on Government Operations. I commend our sister committees for their cooperation and perseverance in working with us to solve the difficult jurisdictional and substantive questions that we confronted along the way.

In October 1968, SEC Chairman Manuel F. Cohen observed that: "Regulations is not a dirty word. We should not be ashamed to regulate." His admonition still rings true today. The markets and activities over which the SEC has jurisdiction have increased significantly both in size and complexity. H.R. 2239 will ensure that the SEC has the resources it needs to maintain this country's honest and free markets and to enforce the Federal securities laws vigorously for the protection of investors.

I urge my colleagues to support this bill.

INVESTMENT COMPANY INSTITUTE,
Washington, DC, July 16, 1993.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce,
Washington, DC.

DEAR CHAIRMAN DINGELL: I am writing to express the support of the Investment Company Institute¹ for H.R. 2239, legislation to authorize appropriations for the Securities and Exchange Commission. We commend the Committee's decision to report the bill with the Chairman's amendment authorizing the agency to offset its appropriations with a portion of its fee collections.

As you know, mutual funds (which make up the great majority of investment company assets) have increasingly become the critical link for tens of millions of American investors to the securities markets. Today, one in every four households owns mutual fund shares. Accordingly, there is a strong public interest in maintaining strict regulatory oversight over mutual funds to ensure that they are operated in the interest of fund shareholders.

The Commission's diligent and effective regulation of the investment company industry has contributed to a high level of investor confidence in the industry. Nevertheless, funding for the Commission (and the Division of Investment Management in particular) should be increased in order to assure that this regulatory excellence continues.

While the number of investment companies increased by 133% and their assets under management increased by 344% between 1982 and 1992, the Division's staff grew by only 74% over the same period. In large part due to the rapid growth of mutual funds, the Commission currently focuses its inspections on the 100 largest investment company complexes, even though factors other than size may better indicate risk. As the SEC recently testified, this increase in the number and size of mutual funds necessitates an increase in the staff of the Division of Investment Management.²

Dramatic technological and other changes also have increased the demands on Commis-

sion programs other than investment company regulation, such as maintaining the integrity of the markets generally, monitoring the quality of disclosures made by corporate issuers, and overseeing self-regulatory organizations. For example, new, more sophisticated financing and trading techniques and increased internationalization have complicated the Commission's ability to oversee the securities markets.

The most effective means to assure that the Commission continues to have adequate resources to meet its statutory responsibilities is to allow the Commission to recover its expenses from the fees that it collects. Ironically, while the Commission's resources are limited, it collects transaction and filing fees that far exceed its needs. Yet those fees go directly to the Treasury as revenues and the agency gets no credit for or use of those monies.

For example, in 1992, investment companies paid registration fees to the Commission totaling approximately \$80.9 million. Nevertheless, the Commission was able to devote only approximately \$18.4 million, less than 23% of the amount paid, to investment company regulation. (Moreover, the Administration has proposed an increase in the rate of registration fees paid by investment companies and other issuers, from $\frac{1}{32}$ to $\frac{1}{24}$ of one percent of the amount offered.) Thus, mutual fund shareholders are being short-changed, since they are paying far more in fees than they receive in terms of regulation. A higher percentage of the fees paid by investment companies should be available to the Commission's investment company regulatory program in order to assure that the excellence of this program can continue.

Given current budgetary constraints, the provisions in H.R. 2239 that would authorize the Commission to dedicate a portion of its fee collections to its expenses is a step in the right direction. The bill would make it more likely that the Commission will continue to have the resources it needs to regulate investment companies and other market participants, to maintain the integrity of the securities market participants, to maintain the integrity of the securities markets, and to enforce vigorously the federal securities laws. For these reasons, the Institute is pleased to express its strong support for H.R. 2239.

Sincerely,

MATTHEW P. FINK.

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, May 13, 1993.

Hon. JOHN D. DINGELL,
House of Representatives,
Washington, DC.

DEAR CHAIRMAN DINGELL: At the end of my term as Chairman, I want to bring to your attention a matter that represents one of the areas of greatest concern for the future of our capital markets and the interests of investors. This matter is the growing inadequacy of resources of the SEC for the examination and oversight of mutual funds and other investment companies. This problem is becoming more significant every day with the explosive growth of public investment in mutual funds.

At least one-quarter of all American households have used their savings and retirement dollars to purchase interests in investment companies. Over \$2.1 trillion in assets are now held in more than 77 million accounts. Net sales or equity and debt mutual funds during 1992 were over \$200 billion. However, despite this vast size and rapid growth, the SEC's current budget funds the equivalent

of only 130 full-time examiners for the direct inspection of investment companies.

The investment company industry generally has a very good track record for operating in a lawful and ethical manner, especially when compared with the scandals and illegal activities that have plagued other areas of our financial markets. At least in part as a result, investors have entrusted their savings to entities that operate without deposit insurance or any other form of government subsidy or government guarantee.¹ Independent boards of directors, daily mark-to-market accounting and a strong industry consensus in favor of good business ethics have also helped prevent problems from occurring. Finally, the Investment Company Act of 1940, with very strict prohibitions against self-dealing and conflicts of interest, has also proven effective in preventing financial abuse.

It is axiomatic, however, that a law can only be as good as compliance with it. Here the examination and inspection program of the SEC is the only on-site means for oversight of fund activities. Unlike the case of broker-dealers, there are not any self-regulatory organization inspections to form the first line of detection for problems. With investment companies (as with investment advisers), the SEC inspection force is not only the first line of official oversight, it is also the last line of official oversight.

With over 3,500 investment companies as of March 1993 and 19,000 separate investment portfolios, the current level of examiners is stretched very thin. Indeed, during my tenure the number of investment companies rose by roughly 25%, and their aggregate assets rose by 77%. Though the SEC has increased its inspection resources during this time, that increase has lagged far behind industry growth. Indeed, each full-time examiner of the SEC is today theoretically responsible for inspecting over 592,000 investor accounts holding in excess of \$16 billion in assets.

To stretch examination resources, the staff has cut back on the frequency and the scope of examinations. Today every money market fund is inspected annually, along with at least one fund out of each of the 100 largest fund complexes. Those examinations only cover a portion of the fund's activities, however. In addition, many medium-sized and smaller fund complexes have not been inspected for several years. Even more disturbing is the fact that some newer fund complexes have never been inspected.

The oversight of mutual funds could easily be improved, but that will require more examiners. Especially if current rates of growth continue, the SEC should be adding 150-450 new examiners over a period of 2-3 years, not fighting to add 5 or 10 examiners each year. Indeed, under the proposed budget for FY 1994, the only way I could expand the number of fund examiners was to lay off staff in other areas. This should not be the case, because investors already pay more than enough in fees to fund a first-class inspection program.

Last year, investment companies (and indirectly their investors) paid \$80 million in fees to fund the oversight program. This amount would be enough to field roughly 1,000 examiners, if actually spent for that purpose.² However, our budget only allows

¹The Investment Company Institute is the national association of the American investment company industry. Its membership includes 4116 open-end investment companies ("mutual funds"), 336 closed-end investment companies and 13 sponsors of unit investment trusts. Its mutual fund members have assets of about \$1.665 trillion, accounting for approximately 95% of total industry assets, and have over 38 million individual shareholders.

²Testimony of Richard C. Breeden, Chairman, U.S. Securities and Exchange Commission, Concerning Appropriations for Fiscal Year 1994, before the Subcommittee on Commerce, Justice, and State, the Judiciary, and Related Agencies of the House Committee on Appropriations, at 9-10 (March 23, 1993).

¹Indeed, the shift of funds into investment companies has greatly benefited the U.S. taxpayer by reducing the contingent liabilities of the deposit insurance system. With mutual fund investors, not the FDIC, assume the market and credit risks of these portfolios.

²This is greater than the number needed, but gives an idea of the magnitude of the diversion.

the SEC to spend \$18 million on investment company oversight. The surplus is not saved for future mutual fund oversight, but rather is diverted to pay for wholly unrelated federal spending. This budgetary sleight of hand might better be known as "The Great Mutual Fund Fee Robbery."

The total cost of adding 300 new fund examiners, for example, would be around \$25.6 million per year. Thus, a top-notch examination program could be fully funded without any need to increase the current fee rate, and there would still be a significant surplus in the program. In this area investors have already paid the needed fees. We just need to spend the money on the purposes for which it was collected.

This area is a prime example of the importance of establishing some form of trust fund for fees (though not for fines) collected by the SEC. Fees not spent in any year for SEC oversight programs should be saved for the future or returned to investors, not simply spent on every other government program.

The growth of the investment company industry has been spectacular, and this sector of our capital market is now one of the most important sources of financing for the U.S. economy. It has provided an efficient and safe means for investors to participate in our market, in the process providing capital for business growth without any need for government subsidy or even a single dollar of government underwriting.

The safety of this enormous pool of funds can be enhanced by improving the frequency and comprehensiveness of inspections. This would reduce the chances that illegal activity could someday result in a shock to public confidence in the integrity of funds. Public confidence in this area is very important, and we should do everything reasonable to strengthen the justification for that confidence.

Sincerely,

RICHARD C. BREEDEN,
Chairman.

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

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

The SPEAKER pro tempore (Mr. McNULTY). The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 2239, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MARKEY: Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 2239, the bill just passed.

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

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on House Administration:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES, COM-
MITTEE ON HOUSE ADMINISTRATION.

Washington, DC, July 19, 1993.

Hon. THOMAS S. FOLEY,
Speaker, U.S. House of Representatives, Wash-
ington, DC.

DEAR MR. SPEAKER: This is to inform you pursuant to Rule L (50) of the Rules of the House that two employees of the Committee on House Administration have been served with deposition subpoenas issued as part of a civil case pending in the Court of the Common Pleas of Cuyahoga County, Ohio.

After consultation with the General Council I will make the consultations required by the Rule.

With my very best wishes,
Sincerely,

CHARLIE ROSE,
Chairman.

REGISTRATION AS CONFEEE AND APPOINTMENT OF CONFEEE ON H.R. 2264, OMNIBUS BUDGET RECONCILIATION ACT OF 1993

The SPEAKER pro tempore laid before the House the following resignation as a conferee:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 20, 1993.

Hon. THOMAS S. FOLEY,
Speaker, U.S. House of Representatives, Wash-
ington, DC.

DEAR MR. SPEAKER: I have been named as a conferee to the Budget Reconciliation bill, H.R. 2264, due to my position on the House Natural Resources Committee. Due to unexpected time constraints in my other positions, Armed Services and Intelligence, I respectfully request that I be allowed to withdraw as a conferee.

Thank you for your attention to this matter and if you have any question please feel free to call me.

Sincerely,

JAMES V. HANSEN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER pro tempore. Without objection, the gentleman from Wyoming [Mr. THOMAS] is appointed to replace the gentleman from Utah [Mr. HANSEN] as a member of the Committee of Conference on the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

There was no objection.

The SPEAKER pro tempore. The Clerk will notify the Senate of the change in conferees.

MODIFICATIONS IN APPOINTMENT OF CONFEREES ON H.R. 2264, OMNIBUS BUDGET RECONCILIATION ACT OF 1993

The SPEAKER pro tempore. Without objection, the Chair announces the following modifications in the appointment of conferees on H.R. 2264:

As additional conferees from the Committee on Government Operations, for consideration of those portions of section 5181 which add new sections 2158(b)(3)(B) and 2161(b) to the Public Health Service Act, of the House bill, and modifications committed to conference:

Messrs. CONYERS, SPRATT, TOWNS, SYNAR, PAYNE of New Jersey, CLINGER, MCCANDLESS, and HASTERT.

In the panel appointed from the Committee on Public Works and Transportation, Mr. BORSKI is appointed in lieu of Mr. DE LUGO.

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COMPLETE LIST OF CONFEREES ON H.R. 2264, OMNIBUS BUDGET RECONCILIATION ACT OF 1993

The SPEAKER pro tempore (Mr. McNULTY). On behalf of the Speaker and without objection, the Chair will insert into the CONGRESSIONAL RECORD a complete listing of the House conferees on H.R. 2264. This combines and replaces the appointments of July 14 and 15 and makes a variety of other technical and conforming changes in the previous appointments.

The complete list is as follows:

From the Committee on the Budget, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

Messrs. Sabo, Gephardt and Kasich.

As additional conferees from the Committee on the Budget, for consideration of title I and section 9005(a)-(c) and (f) of the House bill, and title I and section 5001, 5002(a), (b) and (d), and 5003 of the Senate amendment, and modifications committed to conference:

Messrs. Stenholm, Pomeroy, Kildee, Smith of Texas and Allard.

As additional conferees from the Committee on the Budget, for consideration of title II and section 12009 of the House bill, and title II and section 13003 of the Senate amendment, and modifications committed to conference:

Ms. Slaughter, and Messrs. Mollohan, Gordon, and Shays, and Ms. Snowe.

As additional conferees from the Committee on the Budget, for consideration of title III of the House bill, and title III (except section 3003(b)) of the Senate amendment, and modifications committed to conference:

Mr. Frank of Massachusetts, Mr. Blackwell, Ms. Woolsey, Mr. Lazio, and Mr. Hoke.

As additional conferees from the Committee on the Budget, for consideration of title IV and sections 5117, 13233, 13263, 13270, 13420, and 14402(d) of the House bill, and sections 7904, 12001-50, 12061, 12071, 12101, and 12301-02 of the Senate amendment, and modifications committed to conference:

Mr. Kildee, Mr. Price of North Carolina, Mrs. Kennelly, Mr. Miller of Florida, and Mr. Smith of Michigan.

As additional conferees from the Committee on the Budget, for consideration of sections 5000-187, 13234, 13242, 13264,

Mr. Bellenson, Ms. Slaughtner, and Messrs. Johnston of Florida, McMillan, and Hobson.

As additional conferees from the Committee on the Budget, for consideration of sections 5200-44, 5301, 9006-07 of the House bill, and sections 4001-11 and 6001 of the Senate amendment, and modifications committed to conference:

Messrs. Bryant, Coyne, Costello, McMillan, and Hobson.

As additional conferees from the Committee on the Budget, for consideration of title VII and that portion of section 4002 which adds a new section 455(j) to the Higher Education Act, section 4025(7) and that portion of section 5203 which adds a new section 309(j)(8) to the Communications Act of 1934, and section 5187(b) of the House bill, and title XI, section 4008(c), that portion of section 12011 which adds a new section 455(j) to the Higher Education Act, 12045(7), 12047(a) and 12105 of the Senate amendment, and modifications committed to conference:

Mr. Andrews of Texas, Mr. Mollohan, Ms. Woolsey, Mr. Smith of Texas, and Mr. Inglis of South Carolina.

As additional conferees from the Committee on the Budget, for consideration of title VIII and section 9004 of the House bill, and section 4051 of the Senate amendment, and modifications committed to conference:

Mrs. Kennelly, Mr. Costello, Mrs. Mink, Ms. Snowe, and Mr. Franks of New Jersey.

As additional conferees from the Committee on the Budget, for consideration of title IX and sections 1402, 5301, and 11002 of the House bill, and titles V and VI and section 1503 of the Senate amendment, and modifications committed to conference:

Mr. Bryant, Mrs. Mink, and Messrs. Blackwell, Kolbe, and Allard.

As additional conferees from the Committee on the Budget, for consideration of titles VI and X and sections 13702 and 13704 of the House bill, and titles IX and X and sections 12103-04 of the Senate amendment, and modifications committed to conference:

Messrs. Berman, Andrews of Texas, Gordon, Kolbe, and Miller of Florida.

Provided, that for consideration of title VI and sections 10001 and 10002 of the House bill, and title IX of the Senate amendment, Mr. Pomeroy is appointed in lieu of Mr. Berman; Messrs. Cox and Smith of Michigan are appointed in lieu of Mr. Kolbe and Mr. Miller of Florida.

As additional conferees from the Committee on the Budget, for consideration of title XI and section 8002 and 9005(a) of the House bill, and sections 5002(a) and 6002 of the Senate amendment, and modifications committed to conference:

Messrs. Wise, Costello, Berman, Lazio, and Franks of New Jersey.

As additional conferees from the Committee on the Budget, for consideration of title XII of the House bill, and title XIII (except section 13008(b)) and section 7901 (b) and (c) of the Senate amendment, and modifications committed to conference:

Messrs. Price of North Carolina, Coyne, Johnston of Florida, Herger, and Inglis of South Carolina.

As additional conferees from the Committee on the Budget, for consideration of sections 4032, 4033(3), 8002, 9004, 11001, 12004(b), 13001-20, 13201-84, 13601-02, and 13604-705 of the House bill, and sections 1106, 1403, 1504, 3003(b), 7433, 7601-03, 7701-02, 7901 (a) and (c), 7902-03, 7950-54, that portion of section 12011 which adds a new section 457 to the Higher

Education Act, 12055, 12203(d), 12025, 13008(b), 15001, and 15002 of the Senate amendment, and modifications committed to conference:

Messrs. Coyne, Beilenson, and Herger.

Provided, Mr. Bunning is appointed in lieu of Mr. Kasich for the provisions specified for this panel, except for sections 13001-20 of the House bill where Mr. Kasich will be the conferee.

As additional conferees from the Committee on the Budget, for consideration of titles XV and XVI, sections 1405(c) of the House bill, those portions of section 4002 which add new sections 453(a)(3) and 456(a)(2) to the Higher Education Act, 4029, those portions of section 5181 which add new sections 2158(b)(3)(B) and 2161(b) to the Public Health Service Act, 9008, and 13560 of the House bill, and title XIV, that portion of section 1201 which adds a new section 305(c)(4) to the Rural Electrification Act, those portions of section 12011 which add new sections 453(a)(4) and 456(a)(2) to the Higher Education Act of the Senate amendment, and modifications committed to conference:

Messrs. Stenholm, Wise, Frank of Massachusetts, Shays, and Cox.

As additional conferees from the Committee on Agriculture, for consideration of title I and section 9005(a)-(c) and (f) of the House bill, and title I and section 5001, 5002(a), (b) and (d), and 5003 of the Senate amendment, and modifications committed to conference:

Messrs. de la Garza, Rose, Glickman, Volkmmer, Penny, Roberts, Emerson, and Gundersen.

As additional conferees from the Committee on Armed Services, for consideration of title II and section 12009 of the House bill, and title II and section 13003 of the Senate amendment, and modifications committed to conference:

Mr. Dellums, Mr. Montgomery, Mrs. Schroeder, and Messrs. Hutto, Skelton, Spence, Stump, and Kyl.

Provided, for consideration of section 12009 of the House bill, and section 13003 of the Senate amendment, Mr. McCurdy is appointed in lieu of Mr. Montgomery, and Mr. Hunter is appointed in lieu of Mr. Stump.

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of title III of the House bill, and title III (except section 3003(b)) of the Senate amendment, and modifications committed to conference:

Messrs. Gonzalez, Neal of North Carolina, LaFalce, Vento, Schumer, Leach, and McCollum, and Mrs. Roukema.

As additional conferees from the Committee on Education and Labor, for consideration of title IV and sections 5117, 13233, 13263-64, 13270, 13420, and 14402(d) of the House bill, and sections 7904, 12001-50, 12061, 12071, 12101, and 12301-02 of the Senate amendment, and modifications committed to conference:

Messrs. Ford of Michigan, Clay, Miller of California, Murphy, Goodling, and Petri, and Mrs. Roukema, and Mr. Williams.

As additional conferees from the Committee on Energy and Commerce, for consideration [communications] of sections 5200-44 of the House bill, and sections 4001-11 of the Senate amendment, and modifications committed to conference:

Messrs. Dingell, Markey, Tauzin, and Mantel, Ms. Schenk, and Messrs. Moorhead, Fields of Texas, and Oxley.

As additional conferees from the Committee on Energy and Commerce, for consideration [health] of sections 5000-5091, 5100-87, 13010(a) and (c), 13413(e), 13234, 13242, 13264, and 13431-13571, 14411 of the House bill, and

sections 1105(b), 7000, 7201-7501, 7601(c), 7801, 7802(b) and (c), 7904, 7951, 12101-12205, and 12321 of the Senate amendment, and modifications committed to conference:

Messrs. Dingell, Waxman, Wyden, Towns, Slattery, Moorhead, Bliley, and Billirakis.

As additional conferees from the Committee on Energy and Commerce, for consideration [energy] sections 5301 and 9006-07 of the House bill, and section 6001 of the Senate amendment, and modifications committed to conference:

Messrs. Dingell, Sharp, Washington, Kreidler, Swift, Moorhead, Billirakis, and Barton of Texas.

As additional conferees from the Committee on Foreign Affairs, for consideration of title VI and sections 10001 and 10002 of the House bill, and title IX of the Senate amendment, and modifications committed to conference:

Messrs. Hamilton, Berman, Faleomavaega, Martinez, Andrews of New Jersey, and Gilman, Ms. Snowe, and Mr. Hyde.

As additional conferees from the Committee on Government Operations, for consideration of sections 1405(c) of the House bill, and that portion of section 1201 which adds a new section 305(c)(4) to the Rural Electrification Act, of the Senate amendment, and modifications committed to conference:

Messrs. Conyers,

As additional conferees from the Committee on Government Operations, for consideration of those portions of section 4002 which add new sections 453(a)(3) and 456(a)(2) to the Higher Education Act, 4029 and 13560 of the House bill, and those portions of section 12011 which add new section 453(a)(4) and 456(a)(2) to the Higher Education Act, of the Senate amendment, and modifications committed to conference:

Mr. Conyers, Mrs. Collins of Illinois, and Messrs. Towns, Waxman, Spratt, Clinger, McCandless, and Hastert.

As additional conferees from the Committee on Government Operations, for consideration of those portions of section 5181 which add new sections 2158(b)(3)(B) and 2161(b) to the Public Health Service Act of the House bill, and modifications committed to conference:

Messrs. Conyers, Spratt, Towns, Synar, Payne of New Jersey, Clinger, McCandless, and Hastert.

As additional conferees from the Committee on Government Operations, for consideration of section 9008 of the House bill, and modifications committed to conference:

Mr. Conyers, Mrs. Collins of Illinois, and Messrs. Spratt, Synar, Washington, Clinger, McCandless, and Hastert.

As additional conferees from the Committee on Government Operations, for consideration of title XVI and sections 15001-111, 15206, and 15301 of the House bill, and title XIV of the Senate amendment, and modifications committed to conference:

Messrs. Conyers, Spratt, and Waxman, Mrs. Collins of Illinois, and Messrs. Synar, Clinger, McCandless, and Hastert.

As additional conferees from the Committee on the Judiciary, for consideration of title VII of the House bill, and title XI and section 12047(a) of the Senate amendment, and modifications committed to conference:

Messrs. Brooks,

As additional conferees from the Committee on the Judiciary, for consideration of that portion of section 4002 which adds a new section 455(j) to the Higher Education Act, section 4025(7) and that portion of section 5203 which adds a new section 309(j)(8) to the Communications Act of 1934, of the House

bill, and section 4008(c), that portion of section 12011 which adds a new section 455(j) to the Higher Education Act, 12045(7), of the Senate amendment, and modifications committed to conference:

Messrs. Brooks, Conyers, and Synar, Mrs. Schroeder, and Messrs. Berman, Fish, Gallegly, and Moorhead.

As additional conferees from the Committee on the Judiciary, for consideration of section 5187(b) of the House bill, and section 12105 of the Senate amendment, and modifications committed to conference:

Messrs. Brooks, Bryant, Glickman, Frank of Massachusetts, Berman, Gekas, Ramstad, and Fish.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of title VIII and section 9004 of the House bill, and section 4051 of the Senate amendment, and modifications committed to conference:

Messrs. Studts, Tauzin, Lipinski, Ortiz, Manton, Fields of Texas, and Bateman.

Provided, for consideration of title VIII of the House bill, and section 4051 of the Senate amendment, Mr. Inhofe is appointed; for consideration of section 9004 of the House bill, Mr. Saxton is appointed.

As additional conferees from the Committee on Natural Resources, for consideration of title IX and sections 1402, 5301, 11002, of the House bill, and titles V and VI and section 1503 of the Senate amendment, and modifications committed to conference:

Messrs. Miller of California, Vento, de Lugo, Lehman, Richardson, Young of Alaska, and Thomas of Wyoming, and Mrs. Vucanovich.

As additional conferees from the Committee on Post Office and Civil Service, for consideration of title X and sections 13702 and 13704 of the House bill, and titles IX and X and sections 12103-04 of the Senate amendment, and modifications committed to conference:

Mr. Clay, Mrs. Schroeder, Mr. McCloskey, Ms. Norton, Miss Collins of Michigan, Mr. Myers of Indiana, Mr. Burton of Indiana, and Mrs. Morella.

As additional conferees from the Committee on Public Works and Transportation, for consideration of title XI and sections 8002, 9005(a) of the House bill, and sections 5002(a) and 6002 of the Senate amendment, and modifications committed to conference:

Messrs. Mineta, Oberstar, Applegate, Rahall, Borski, Shuster, Clinger, and Boehlert.

As additional conferees from the Committee on Rules, for consideration of title XVI and sections 13560, 13605, 15201-15212, of the House bill, and title XIV of the Senate amendment, and modifications committed to conference:

Messrs. Moakley, Derrick, Bellenson, Frost, Bonior, Solomon, Quillen, and Goss.

As additional conferees from the Committee on Veterans Affairs, for consideration of title XII of the House bill, and title XIII (except section 13008(b)) and section 7901 (b) and (c) of the Senate amendment, and modifications committed to conference:

Messrs. Montgomery, Evans, Rowland, Slatery, Sangmeister, Stump, Smith of New Jersey, and Burton of Indiana.

As additional conferees from the Committee on Ways and Means, for consideration of title XIV (except sections 14402(d) and 14411) and section 13603 of the House bill, and title VIII of the Senate amendment, and modifications committed to conference:

Messrs. Rostenkowski, Gibbons, Pickle, Rangel, Archer, and Crane.

As additional conferees from the Committee on Ways and Means, for consideration of

sections 13001-20 of the House bill, and modifications committed to conference:

Messrs. Rostenkowski, Gibbons, Pickle, Jacobs, Archer, and Bunning.

As additional conferees from the Committee on Ways and Means, for consideration of sections 13201-84 of the House bill, and sections 7601-03 and 7802 of the Senate amendment, and modifications committed to conference:

Messrs. Rostenkowski, Gibbons, Pickle, Ford of Tennessee, Archer, and Santorum.

As additional conferees from the Committee on Ways and Means, for consideration of title XVI of the House bill, and modifications committed to conference:

Messrs. Rostenkowski, Stark, and Thomas of California.

As additional conferees from the Committee on Ways and Means, for consideration of sections 4032, 4033(3), 5000-91, 5117, those portions of section 5181 which add new sections 2161 and 2173(b) to the Public Health Service Act, 5181(b), 8002, 9004, 11001, 12004(b), 13400-571, 14402(d), 14411, and 15301 of the House bill, and sections 1106, 1403, 1504, 3003(b), 7000-305, 7433, 7701-02, 7901 (a) and (c), 7902-04, 7950-54, that portion of section 12011 which adds a new section 457 to the Higher Education Act, 12055, 12101-02, that portion of section 12202 which adds a new section 2148(b) to the Public Health Service Act, 12203(d), 12025, 13008(b), 15001, and 15002 of the Senate amendment, and modifications committed to conference:

Messrs. Rostenkowski, Gibbons, Pickle, Rangel, Stark, Archer, Crane, and Thomas of California.

There was no objection.

CHINA MFN STATUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. INHOFE] is recognized for 5 minutes.

Mr. INHOFE. Mr. Speaker, who in this body would ever admit that he has changed his mind because if he admits that, he is admitting he is wrong. Correct? No, very wrong. I have changed my mind, Mr. Speaker. A position can be right in the beginning and then become wrong when circumstances change. And that is exactly what has happened with this issue of MFN for China.

In years past I argued on the floor with the same passion and enthusiasm, though admittedly not the eloquence, as the gentleman from New York, Mr. SOLOMON. The difference between years past and this year is that I have been to China and have seen the boat that we are about to miss.

There was a time Communist mainland China was dominated by that evil totalitarian doctrine that enslaved its citizens and forever precluded them from opportunity and freedom. I remember a book I once read, "Modernizing China," by Anthony Kubek. It compared the hope and opportunities of free Taiwan with Communist mainland China. The culture was the same, the people were the same, the geography was the same, but Taiwan was rich and the People's Republic of China was enslaved and poor.

Anthony Kubek's contrast was accurate. The per capita income in mainland China was \$300 compared to \$5,000 on Taiwan. On mainland China there was one refrigerator for every 250 families while 96 percent of the Taiwan families had refrigerators. But that book was written in 1987 and China's situation has changed.

A renaissance has taken place just as profound and impressive as that in East Berlin. I remember, Mr. Speaker, when Erich Honecker, former Chairman of the German Democratic Republic, was going to make his speech in East Berlin. The citizens had heard about all the wealth and opportunities that went with freedom and they were not going to be suppressed any longer. But Honecker was going to make one more last ditch effort to keep communism alive.

I went to Andrews Air Force Base and hopped a troop transport over to Berlin to witness the event. Some thought it might be another Tiananmen Square. I remember so well going across Checkpoint Charlie. The thousands of people standing on the free side shouted chants of hope to their families and loved ones. I went to the Soviet sector and was approached by two Soviet soldiers. They tried to get us to let them in our car trunk to smuggle them to freedom in the West, knowing full well that if they were caught at the border they would be executed. They had no way of knowing that only weeks later the wall would come tumbling down.

Now, Mr. Speaker, the East Berlin I saw that day was supposed to be the garden spot of communism. If you were a good Communist all of your life your reward was a week in East Berlin. Garden spot? It was the most depraved slum I have ever seen. A shoe store had eight pairs of shoes and they were all on display in their storefront window. A liquor store had an inventory of three bottles of something, probably vodka. But whatever it was, it was oozing out of the top of the bottles.

Eighteen months later I returned to East Berlin. I could not believe it was the same city. It was vibrant, bustling, and full of activity and commerce. It was indescribable what 18 months of freedom had done. A transformation had taken place.

Mr. Speaker, a comparable transformation has taken place in China. I traveled from Hong Kong up through the southern Province of Guangdong. Everywhere I looked there was activity and commerce. The infrastructure had not kept up with commercial growth. It reminded me of the early part of the industrial revolution of the United States. In Guangdong Province alone there were 7,000 factories. Not too long ago, there were virtually none. They were importing goods from almost every country. I witnessed what is becoming the largest market in the world.

Upon returning to Oklahoma, I found out that my State is supplying many of their imports. The largest industry in my district is transportation, specifically aerospace and aviation. China is the largest potential market for the aerospace industry. Upon checking with the chamber of commerce and numerous business leaders in the community I was shocked and pleased to learn how many firms, large and small, in my district were exporting to China, both in the areas of aerospace and products produced for oil field related activities. Some of those companies are Rockwell International, Flight Safety International, McDonnell Douglas Corp., Nordam, Burttek, and EG&G Chandler Engineering, just to name a few.

We can continue the growth of this great export market. All we have to do is treat them like everybody else. We shouldn't be calling our relationship most favored nation status. That is a misnomer. What we are discussing today is the question, "Should we single out China from all our other trading partners so that we can discriminate against them?" We share MFN status with Spain, France, Germany, the United Kingdom, Ireland, Sweden, Finland, Denmark, Poland, Egypt, Morocco, Mali, Algeria, Saudi Arabia, and most other countries. So, if we deny MFN status to China, we are telling the fastest growing market in the world that we don't want to do business with them.

And Mr. Speaker, what does this have to do with human rights which seems to dominate the MFN issue? Very little. In fact we shouldn't be debating both issues at the same time, or on the same day. We have everything to lose and nothing to gain. Are we so arrogant to think that we are the only market for China's booming economy? Right now the Chinese are buying 76 percent of their airlines from McDonnell Douglas and Boeing. Do we somehow believe that they aren't going to buy from Airbus? Sure they are, and that means hundreds of jobs in Tulsa, OK, and I suspect in all the rest of the districts represented here today.

Do we not believe that China will retaliate against us if we try to tie the two issues of trade and human rights together? You bet they will. In 1992 New China Air deliberately dropped a deal with Airbus after France agreed to sell Taiwan 50 Mirage fighters.

Am I somehow self-serving on this issue? Sure. McDonnell Douglas is estimating 175 sales to China over the next few years. A lot of them will be made in Tulsa. Boeing has signed a deal with China for 22 737's, 1 757, and 6 777's. And Boeing buys its control surfaces, skin, and many other components from Rockwell in Tulsa.

Mr. Speaker, you might say that I have changed my position of tying together trade and human rights. In

years passed I have consistently tied the two together. I have tried to believe that we can force China into submission with MFN status, that we are so important and valuable that China can't get along without us, that we should impose our social and cultural standards upon China before we allow them to become our major export market, that we can tell a country that represents a third of the world that we don't have to do business with them and somehow come out ahead. I really tried to believe that.

But when I return to Oklahoma as I do each weekend and see the layoffs, the struggling companies and industries trying to survive, a sober reality sets in. Maybe, just maybe we need China more than China needs us.

No one in this institution abhors human rights violations more than I do. I have fought against such violations all the way from Nicaragua to Siberia and will continue to do so. But what about the human rights of our workers here in the United States? The right to be gainfully employed and export our products all over the world, the right to have jobs and feed our families.

I speak today to those of you who, like I, have previously sided with Mr. SOLOMON and Mrs. PELOSI in this debate. There's nothing wrong with changing your position when the circumstances change, and clearly they have. Don't cut off what can become our largest trading partner, the partner that can create more U.S. jobs than any other. This is not a social issue we are deciding today, it's a jobs issue. Vote to continue our MFN status with China unconditionally, not for them, but for us.

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Mr. GEKAS. Madam Speaker, will the gentleman yield?

Mr. INHOFE. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Madam Speaker, the gentleman has presented a very thoughtful expression of the details that we must consider when we ponder how we are going to act and react to the China issue. I want to thank the gentleman for reemphasizing that many of us from the very beginning, from President Reagan's original feel for the matter, and then President Bush, who felt that the best way to tame the human rights tiger, as it were, that we so feared in China is to do business with them, to have more interaction, to send more of our people there, to expand trade, to trade ambassadors, to trade students, to get movement going between our civilizations and between our societies, so that they will learn from our experiences and we from theirs, and thus treat human rights at the same time as we are treating the trade issues.

So I thank the gentleman, and hope that more will be convinced that in-

deed that is the way to travel into China.

Mr. INHOFE. Madam Speaker, I thank the gentleman. I must admit until I went to Guangdong and saw the potential there for my district and your district and all over the United States, I did not change my mind. But that did it.

NED WORKS FOR OUR NATIONAL INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER], is recognized for 5 minutes.

Mr. BEREUTER. Madam Speaker, the fall of communism around the world is indeed cause for great hope for the future of the global community. Yet, we should not let the political successes blind us to the realities we all face during this post-cold-war era.

The world has entered a new era. Regrettably, it is not necessarily the peaceful and harmonious era that we perhaps hoped would evolve from the collapse of the Warsaw Pact. Instead, we are encountering a world that increasingly is marked by growing nationalism, extreme fundamentalism, violence and fragmentation. This is inevitable, perhaps given the necessary transition period from authoritarian regimes to more open government and free market systems.

Mr. Speaker, experience thus far has suggested that the course of change to more democratic models is often quite difficult, and fraught with unforeseen pitfalls. The people in the countries of Eastern Europe and the former Soviet Union are unfamiliar with, or have never been exposed to, the fundamental elements of democracy. Furthermore, they lack the institutional structure to support the principles of democracies societies. Decades of totalitarian rule have robbed these people of a practical understanding of how democracy works, or how truly independent labor unions function. They have no rule of law or constitutions to frame the political and social structure.

The sea change of an entire social organization and culture is, by its nature, vulnerable to failure or attack from any number of sources. We have seen rule by cult of personality emerge in some countries—for example, Serbia and Georgia. In other countries, we have seen the Communists reemerge as the democratic forces flail helplessly—for example, Lithuania.

Mr. Speaker, if Eastern and Central Europe fall back into totalitarian dictatorship, the United States will once again be faced with a very real national security threat. And, if these nations turn their backs on democracy and free markets, we will have lost a tremendous opportunity to bring these changes to the citizens of the former Warsaw Pact countries. In short, it is

in the U.S. national interest to promote democracy and free markets in Eastern and Central Europe. For ideological, humanitarian, and economic reasons the Congress and America should support the democratic transitions of these nations, and assist their efforts to develop democratic institutions.

Recently this Member had the good fortune to travel to Albania and Hungary with the Speaker's task force on interparliamentary cooperation. This task force was ably led by the distinguished gentleman from Texas [Mr. FROST] and the distinguished ranking Member, the gentleman from New York [Mr. SOLOMON]. We were able to meet with the newly elected top governmental and political leadership in these fledgling democracies. Our experience in Albania was particularly dramatic, and underscored the great need for civic education, political party and election organization, and exposure to the kinds of institutions necessary to support participatory governments.

These are common activities for the average American, but the people in the newly emerging democracies are pioneers, struggling to forge entirely new societies based on new philosophies. Clearly, Mr. Speaker, this transition is at a precarious stage because these countries do not have a history of, or the investment in, democracy as a way of life. And this makes the future vulnerable to opposing pressures. We have a prime opportunity, and in fact a clear American responsibility to assist these countries with the establishment of democratic systems. We have the capability to do this and they usually look first to our nation as the oldest continuing democracy for their assistance and guide to democracy. The National Endowment for Democracy was established in 1983 with just these kinds of missions in mind. The rationale for its existence is even more important and more credible today as we seek a new equilibrium in the world.

Seeing the dynamics of countries undergoing such significant changes makes one appreciate the kind of work and training being pursued by the National Endowment for Democracy. NED exists to promote and provide tangible support for the elements of democracy. As a nongovernmental organization they can quickly disperse funding and respond to needs within each country. Through their grantees they have greater access and can work at the grassroots level to support the democratic movements. In Albania for example, both the National Democratic Institute and the International Republican Institute have programs for political party training and local organizing efforts to support their newly elected government. NED grants help to support these hands-on efforts. And, in preparation for the recent Albanian election in March, poll watchers were

trained. A national system to tabulate the votes was put into place. This is the type of tangible assistance that NED provides that have long term benefits.

During a briefing with the United States Ambassador to Albania, he was specifically noted the significant contribution that these NED-funded programs were making in the country. The Albanians welcomed this United States assistance. Indeed both the top Albanian leadership and our Ambassador to Albania credited the NED-financed programs as having played a crucial role in bringing democracy to Albania. It was said by the Albanian leaders to have truly played a decisive role in the parliamentary elections which brought a democratically elected and democracy-oriented parliament to life in Albania through free and fair elections. Incidentally, this Member would cite that NED funded efforts were also crucial to restoring democracy in Chile.

In Southeast Asia, NED funding was instrumental to educating and training Cambodians in the fundamentals of democratic elections and political party development. NED funds helped to send experienced American campaign organizers to Cambodia where they worked with Cambodian political parties to assist them in preparing for the U.N.-administered elections completed in May. In an impressive 5-month effort these individuals provided training programs to even the most remote areas in the country. It was largely due to the specific hands-on work that Cambodia was able to hold these critical elections. Now, the focus in Cambodia will shift to support the tasks facing the newly elected Constituent Assembly.

With these observations in mind, this Member would voice his grave concern with this body's recent decision to eliminate all funding for the National Endowment for Democracy. This action, driven though it was by the understandable desire to reduce U.S. spending on foreign aid, is misguided and misdirected. This Member would tell this body that this Member also supports reducing our foreign aid budget, and acknowledges that there is indeed far too much waste and abuse in our foreign aid program. But this Member would remind his colleagues that the National Endowment for Democracy is not a wasteful program. Quite the contrary, NED provides excellent value for our investment.

Mr. Speaker, many noted columnists in recent days have expressed similar disbelief that the House would choose to dissolve such a valuable asset for promoting global stability. The achievements of NED extend around the world and recipients of their moral and program support are quick to express their gratitude. As an example, Mr. Rosenthal of the New York Times

lists Iraqis fighting Saddam, Chinese dissidents and veterans of Polish Solidarity and the Czech freedom movement as grounds assisted by NED.

George Will in the column "Exporting Prunes, But Not Democracy," makes a valid point that Congress succumbs to funding domestic special interest programs, yet eliminates a program that will serve broader U.S. interests by helping democracy put down roots in stony social sod. Establishing priorities is not always clearcut. But in this case of funding NED projects to nurture democratic forms of government, we all win.

Mr. Speaker, the fundamental issue in this debate on the funding of the National Endowment for Democracy is the role of the United States in the formation of the new world order. As a leading democracy, we must not, indeed, we cannot adopt the isolationist attitude that was so prevalent after the First World War. We must not simply assume that the world is safe for democracy. This led us into World War II, as David Broder points out in an insightful July 4, 1993, editorial entitled "No Good Deed Unpunished." Such diffidence cannot be allowed to prevail. This body must reverse the shortsightedness of our recent vote, and continue American support for organizations that are actively working to solidify the democratic revolutions around the world.

Mr. Speaker, enclosed are relevant excerpts from the recent articles of these three columnists.

[From the Washington Post, July 4, 1993]

NO GOOD DEED UNPUNISHED

(By David S. Broder)

The members of Congress are home for the July 4 holiday, and many of them will mark the greatest of our patriotic celebrations by quoting once again the stirring words of the Declaration of Independence.

They cannot be heard too often: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness—that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

That is the basic credo of democracy, as vital today as it was when first proclaimed 217 years ago. Unfortunately, 243 House members cast some doubt on their understanding of the enduring importance of that message when they voted last month to kill the National Endowment for Democracy, the small, government-financed agency that for the past decade has fostered grass-roots democratic movements all around the world.

NED is a tiny operation. It employs 46 people and has a payroll of less than \$2 million. The bulk of its money—\$48 million was the amount the House killed—goes to small, struggling organizations such as the Democratic Development Center in Latvia, which supports politicians, journalists and citizens sniffing the first breaths of freedom.

Rather than channel the grants through a big government bureaucracy, NED operates through specially created international arms

of four organizations that know a lot about Main Street capitalism and grass-roots democracy—the Republican and Democratic parties, the Chamber of Commerce of the United States and the AFL-CIO.

The man who led the fight against NED in the House is Rep. Paul E. Kanjorski (D-Pa.), who has been after its scalp almost from the time he arrived in 1985. Kanjorski tells me he was offended by the attitude a senior NED official took when the congressman first began inquiring into its operations. His passion on the subject is clear, but his reasoning is not always easy to follow.

In his floor speech, Kanjorski said it was "an insult to the Constitution" to "give taxpayers' money to a private organization to carry on the foreign affairs of the United States." No one in the State Department has ever charged such an act of usurpation, and three presidents have supported increasing levels of funding for NED.

Kanjorski is deeply suspicious of the participation of the Republicans, Democrats, business and labor. He spoke of "an unholy alliance" and, in a wonderful non sequitur, said, "NED puts together so many unfriendly parties in the bed together that it makes us wonder whether we in fact have not come together in a unicameral legislature."

When I asked him what exactly bothered him about the participation of groups that differ on many issues—but not on their commitment to democracy—he replied with another remarkable bit of logic. "They're all operating under the same flag," he said. "That's contrary to our system of checks and balances."

Yet Kanjorski was able to prevail on the House floor against the combined opposition of the president of the United States, the leadership of both parties and the ranking Democrats and Republicans on the House Foreign Affairs Committee. In pure political terms, it was quite a feat for an unheralded member with no claim to jurisdiction or special expertise in this area.

The 243 to 181 roll call on June 22 was a peculiar vote. Freshmen Democrats voted 40 to 23 to kill NED; more senior Democrats, 96 to 90 to save it. Despite the fact that NED was created in the Reagan years and several of the House's most prominent conservatives endorsed it strongly in the debate, Republicans voted 112 to 62 against it. As with the Democrats, the freshmen led the revolt.

One theory is that the freshmen of both parties were spooked by an ABC-TV news piece the night before the vote—a piece in which Kanjorski was the only member of Congress quoted and in which the supposedly neutral correspondent said, "Communism may be dead in much of the world, but the endorsement is still costing you \$30 million a year [last year's appropriation] to support foreign labor unions, small businesses and political activists."

Another, less kindly theory, which might be pondered by proponents of term limits, is that many of the freshmen may lack historical appreciation of the effort it has taken to cultivate democratic movements such as Poland's Solidarity—an early recipient of NED help—and its counterparts around the world.

Backers of NED point out that the Cold War may be over, but the triumph of democracy in larger parts of Asia, Africa and Eastern Europe is far from ensured. All sorts of hostile elements are ready to strangle democracy in the crib. When Americans turned inward after World War I, thinking the world had been "made safe for democracy," what we got was World War II.

NED programs—from legal assistance to political prisoners in China to the teaching

of mediation techniques in South Africa to technical aid and training for privatizers in Bulgaria and union organizers in Albania—do not deserve to be sacrificed to Mr. Kanjorski's conspiracy theories.

The Senate next month has a chance to undo the damage and keep the United States on the side of building democracy in the world.

CAN IT BE HAPPENING?

(By A.M. Rosenthal)

Iraqis fighting Saddam Hussein say one American organization in particular helps keep alive their hopes that democracy has a chance in their country. China's dissidents, at home or in exile, know and bless its name—the National Endowment for Democracy.

So do veterans of Polish Solidarity and the Czech freedom movement. They are emotional in their thanks for past aid and passionate in their hope that other freedom fighters facing their own make-or-break years will get the help they did.

What they got was a little money and a lot of political comradeship. The money went for things like presses, books and pamphlets to spread about in lands parched for information and free thought, new political groups for labor and women, observers to watch out for election fraud—basic sustenance. The comradeship came in visits to America, to talk with working people and intellectuals like them, and in the knowledge that they would be remembered not just at time of crisis, but all the time.

From its beginning in 1983 the N.E.D. had the support of the President in office—Reagan, Bush, Clinton. Both major political parties are strong for it, as are the A.F.L.-C.I.O. and the U.S. Chamber of Commerce.

The Clinton Administration even asked for an increase in its budget—from about \$30 million to \$50 million. The Administration, and the leaders of both parties, figured that in tight times the N.E.D. was one of the best political and ethical margins in the budget.

So in response to the achievements of the organization, the sweeping political bipartisanship, the backing of labor and business, the gratitude and hope of freedom fighters past and present, the House of Representatives voted to wipe out the whole thing.

When I heard that I thought there must be some mistake—not the N.E.D., for Heaven's sake. But there it is in the Congressional Record for June 22—all N.E.D. money eliminated by a vote of 243 to 181 on a motion by Representative Paul E. Kanjorski, Democrat of Pennsylvania.

Mr. Kanjorski got right to the heart of it. What else could it mean but conspiracy, an "unholy alliance," when so many important groups, Democratic and Republican, labor and management, support the same organization?

The statesman-sleuth figured it out. Instead of having to go through the Federal bureaucracy, the N.E.D. is allowed by law to distribute its money through allied American foundations and directly to foreign democrats—openly, audited by the U.S. Government all along the line. Ah, cries Mr. Kanjorski, the political, business and labor big shots love the N.E.D. because they help decide how the money is spent.

Anyway, he wants to know, who needs it with the Berlin wall fallen? Mr. Kanjorski wanted to kill the N.E.D. before the wall even cracked but I can't find that in his speech.

The story has meaning, and danger, beyond even the fate of the N.E.D. Mr. Kanjorski

won with the help of first-term members—the majority of freshmen Democrats and Republicans.

In the Senate the N.E.D. will have a chance to get its budget restored. If that fails, the loss will be to America and to millions of people who still believe we care for their freedom at least enough to maintain one of the smallest publicly funded organizations in Washington.

Letters are coming in from the endangered species of democrats—from Burmese suffering under a military junta, from Kurds, from the Caribbean and Africa, from an Iraqi writer, from Serbian democrats, from the former President of Lithuania, from Chinese in exile. All say what the N.E.D. means to people like them, and plead it be saved.

This is my own letter, to my Senators, Please write or phone yours now. Otherwise, we are Kanjorskis.

[From the Washington Post, July 11, 1993]

EXPORTING PRUNES, BUT NOT DEMOCRACY

(By George F. Will)

These are salad days for those conservatives whose philosophy is confirmed by, and whose agenda is advanced by, bad behavior of government.

Recently, for example, the House of Representatives, home of the most entrenched portion of the political class, voted to continue spending taxpayers' dollars to subsidize, for large corporations and wealthy trade associations, the overseas marketing of fruit juice and candy bars, whiskey and prunes, and many other profitable commodities. And the House did this after voting to terminate a less expensive program that helps export democracy.

The Agriculture Department's Market promotion program, begun in 1985, will, like the honey subsidy and the wool subsidy and much else, live forever. But the political class is currently insisting that the budget "crisis" requires the taxpayers to turn over more money to the political class. So that class is grudgingly making cosmetic cuts in some particularly egregious programs.

So the House did trim the MPR from \$147 million to \$127 million. That is government "austerity": a 13.8 percent cut in a program that is 100-percent indefensible. The MPP's survival says much about the ersatz "crisis" currently being used to justify tax increases.

The MPP funds both generic and brand-name advertising abroad for American agricultural products. This is yet another example of the government's solicitousness on behalf of the strong. Of the 200 U.S. corporations with the largest advertising budgets 13 last year got a total of \$9 million from the MPP, an average of \$700,000 each. But the advertising budgets of those corporations range from \$45 million to \$538 million, so the taxpayers contributions can hardly be said to represent the difference between competitive success and failure.

Defenders of those welfare payments to corporations say: Other nations do it for their companies. (Translation: We have a duty to be as foolish as foreigners are.) And defenders rely on the post hoc, ergo propter hoc fallacy (the rooster crows and the sun rises, therefore the crowing causes the sunrise). That is, defenders argue—actually, they just assert—that any increase in the exports of any commodity that is the subject of subsidized advertising must be caused by that advertising. Never mind the effects of many other variables, such as the export-assisting fall in the value of the dollar since 1985.

Defenders of the MPP declare that if "creates" 38,000 American jobs. Amazing, is it

not, the precision of the political class? It knows—simply knows—that without subsidized advertising (such as the \$394,000 recently given to the National Association of Animal Breeders to market bull semen), demand for American products would sag and drag down 38,000—not 27,000 not 43,000—jobs.

But let us assume that the \$450,000 given to the Campbell Soup Co. to entice Japanese, Koreans, Argentinians and Taiwanese to drink V-8 juice "worked." And that the \$6.2 million given to the Blue Diamond company stimulated foreign desires for American almonds. When making such assumptions, defenders of the subsidies face the unanswerable challenge that always confounds "industrial policy" and other forms of socialism: When defenders argue that the subsidy dollars are profitably invested, they must also argue that for some reason private investors would not make these remunerative investments. So, government is wiser than the private market? Please.

On June 29 the House voted to pour this \$127 million (with hundreds of millions more to come as the years roll by) into the private coffers of people who, thus subsidized, will have more resources freed up to use as campaign contributions. But seven days earlier the House had a moment of parsimony. It did not just make a 13.6 percent nick in the National Endowment for Democracy, it voted to kill it. If the NED helped the export of prunes instead of democracy, it, too, could be immortal.

The NED helps democracy by means of small but life-giving grants for trade unions, student groups, publications, legal assistance for the persecuted, and other measures. It has a record of success in helping democracy put down roots in stony social sod. By voting to stop this cost-effective work, the House voted to save \$50 million, less than half what it is eager to spend on handouts to corporations.

Those two votes illustrate what most congressmen most care about. What is the salient difference between the MPP and the NED? The former can, and the latter cannot, serve the dominant desire of most House members. That desire is to protect their incumbency by enlarging the ranks of grateful recipients of government money.

The political class, confronted with a rising tide of public contempt, comforts itself with condescension. The public says the political class, just does not understand what we do. Actually, that class is fortunate that the public is too busy to read the Congressional Record. As understanding of contemporary government increases, so does disdain for it.

U.S. DUAL RECOGNITION POLICY REGARDING CHINA AND TAIWAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DEUTSCH] is recognized for 5 minutes.

Mr. DEUTSCH. Madam Speaker, today we commemorate the day in which the first nation in the free world announced that it would maintain diplomatic relations with both the Beijing Government of China as well as the Taipei Government of Taiwan in what was coined a dual recognition. Reviewing the history of this momentous occasion we note the period of civil war which took place on mainland China between 1945 and 1948 ending with the

Communist regime's expansion onto Taiwan. Despite this, Taiwan has been a politically and economically independent entity ever since 1949.

Presently, Taiwan's KMT Government and China's Communist Government force nations around the world to choose between maintaining mutually exclusive diplomatic relations with either Taipei or Beijing. In spite of this forced choice, Taiwan has flourished as a nation over the last 40 years. As a substantial force in the international community Taiwan is home to the world's largest foreign currency reserve. Taiwan is the United States' 5th largest trading partner as well as the world's 13th largest trading partner.

Taiwan has recently made strides toward democratization. These reforms include the lifting of martial law and the release of political prisoners. These changing tides affirm Taiwan's commitment to a freer society. Despite this, Taiwan has not been the beneficiary of representation in either the United Nations or any other international organizations. This gross lack of international recognition has left 20 million Taiwan voices unheard in world affairs.

Today, 3 years after the first nation announced its position supporting dual recognition, I rise to urge consideration of a United States dual recognition policy as a way to foster and encourage peaceful coexistence between Taiwan and China. Such dual recognition is a model for those nations which seek to align both governments in a mutual co-existing relationship. Moreover, dual recognition is a concept which applies to those in Taiwan which aspire to join the United Nations as well as all other international organizations. On this commemorative occasion we note the people of Taiwan and their movement towards self-determination.

□ 1930

ORDER OF BUSINESS

Ms. DELAURO. Madam Speaker, I ask unanimous consent to switch my time with the gentleman from Florida [Mr. BILIRAKIS].

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

There was no objection.

GENERAL LEAVE

Mr. BILIRAKIS. Madam Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of my special order.

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

There was no objection.

CYPRUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 60 minutes.

Mr. BILIRAKIS. Madam Speaker, today is the 19th year of the occupation and division of the Island of Cyprus. July 20, today's date, is a date of both sadness and embitterment for the Cypriot people. Yet, it also marks their valor and courage during and after the invasion, as well as their role for the Allied forces during World War II.

Madam Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Speaker, I thank the gentleman for yielding to me. I commend my colleague, the gentleman from Florida [Mr. BILIRAKIS], a long time advocate of Cyprus for arranging this Special Order this evening on the commemoration of the tragic and unwarranted Turkish invasion of Cyprus in 1974 and their continued military occupation. That unconscionable event continues to take a sad human toll to this very day with Cypriot families having been expelled from their ancestral homes and divided from their friends and loved ones.

Following that invasion, thousands of Greek-Cypriot citizens were taken from their homes and interrogated by the invading forces. Of that group, to this day approximately one-third, some 1,619 individuals, have not been seen or heard from. Five American citizens are included among those missing. But nationality is not at issue here—this is a significant human rights issue—one concerning basic human dignity, and the internationally recognized right of everyone to know the whereabouts of their loved ones.

A United Nations commission, which includes representatives from both the Greek and Turkish communities on Cyprus, has been continually meeting since 1981, yet not a single case of the missing has been resolved. In the interest of basic decency I urge any party or the occupying forces with knowledge of the whereabouts or the destinies of those missing to come forward. Even if the news may be bad, it would at least afford the relatives of the missing an answer to the tearing questions of where is their husband, their father, their missing family members?

Representatives of the missing Cypriots are holding a candlelight vigil tomorrow night at Lafayette Park, here in Washington, across the street from the White House. I hope my colleagues will be present, at least in spirit, with these dedicated people who seek only an answer to these frustrating questions. I invite my colleagues to support their quest and salute their persistence and courage.

The ongoing Cyprus negotiations under the auspices of the United Nations between the two communities on Cyprus have dragged on far too long. Let us all hope and pray that this issue can be resolved without further delay so that all the people of Cyprus can be reunited and be able to get on with their lives in a spirit of peace and harmony.

Mr. BILIRAKIS. Madam Speaker, I certainly thank the gentleman for his contribution to this special order. It is part of a contribution over many, many years for the cause of Cyprus, for the cause of Greece, and for the cause of human rights.

I think it is even more important than anything else. I very much appreciate the gentleman who is the ranking member of the Committee on Foreign Affairs for his participation. Thank you very much, BEN.

Madam Speaker, I rise, as I said earlier, to extol the steadfast national spirit of the Cypriots, a national spirit that sadly has been strained for more than half of the 30 years since Cyprus has known independence. So on this day, I stand with my colleagues in calling for peace and resolution of this crisis.

I yield to the gentlewoman from New York [Mrs. MALONEY], a Member who has very much been involved in this issue and the cause of the Greeks and Cyprus.

Mrs. MALONEY. Madam Speaker, I thank the gentleman for yielding to me, and I commend my colleague for organizing this special order.

Madam Speaker, I rise to join my colleagues in calling for immediate, decisive action to end human rights violations in Cyprus.

In 1974, Turkey invaded Cyprus and has unjustly occupied it for the past 19 years. Tonight marks the 19th anniversary of that illegal invasion.

Turkish occupation brought the disappearance of 1,619 people, including five Americans, all of whom were subjected to enforced disappearance—or worse.

There is hard evidence that some of those people are still alive, and are being held in brutal Turkish prisons.

Several months ago the Greek newspaper, *Ethnos*, reported that a truck driver coming from Turkey to Greece was told to relay a message from a Greek Cypriot in a Turkish prison to his family in Cyprus.

He wanted them to know that he was still alive, but in a wheelchair. He asked "why have you forgotten me?"

Since 1974, the Turkish Government has continued a policy of what the New York Times called "Ethnic Cleansing, Cypriot Style."

In Turkey and in Cyprus, the Turkish Government has persecuted Kurds and Greeks in an effort to drive them out, or wipe them off the face of the Earth.

But last year, the United States sent \$450 million in aid to a Turkish mili-

tary that is conducting ethnic cleansing, as well as \$68 million in economic aid.

In Bosnia, we denounce ethnic cleansing.

In Cyprus, we underwrite it.

Mr. Speaker, the hypocrisy of our policy speaks for itself.

We must withhold all aid to the Turkish Government until it accounts for the 1,619 people who have been missing since 1974.

That total includes Andrew Kassapis, an American citizen last seen being dragged off by Turkish Cypriot soldiers with a U.S. passport in hand.

I met today with his father who is still fighting to learn the fate of his son.

Andreas Anastasiou, from my own district in Astoria, NY, does not know what happened to his brother George, who disappeared in 1974. The last his family heard of him was a message received from him 6 months after his capture.

For all we know, Andrew and Andreas are still Turkish hostages.

So until we know their fate and that of many others, we should hold hostage military and economic aid to Turkey.

Mr. Speaker, fair is fair, and the Turkish Government is not playing fair.

It's time for us to put our foot down.

□ 1940

Mr. BILIRAKIS. Madam Speaker, I thank the gentlewoman for her wonderful leadership on this issue, and in all of the causes of Greece.

I yield to the gentleman from Pennsylvania [Mr. GEKAS], my fellow Helene.

Mr. GEKAS. Madam Speaker, I thank the gentleman for yielding to me. I, too, add to the commendation that my colleagues have accorded the gentleman for presenting this special order.

Madam Speaker, it is clear from the statements already made and from the sentiments that have been expressed over the years now that this issue must be resolved. Cyprus has suffered too long. While the world contemplates the wounds that are being inflicted on its body politic in Bosnia and Somalia and other freshly engendered wounds, we cannot forget that the wound that was thrust into the side of the Cypriots 19 years ago is still hurting, is still bleeding, is still crying out for cure and for help.

In this juncture it is important for us to reiterate to the American public that what the United States was able to do in amassing a tremendous coalition force to deal with the Kuwait-Iraqi situation, pursuant to a new world order that President Bush saw so vividly on the horizon, and which prompted him to see the United Nations resolutions that made possible the backbone of a concerted action to

oust Saddam Hussein from Kuwait, we all marveled at that. I must confess to the gentleman from Florida that that gave me special inspiration and hope to be able to say to many people in our country who espouse the Cypriot cause that "Now we see the framework for a possible solution to the Cypriot question."

If indeed the world was able to join together and to form this coalition to obey and enforce a United Nations resolution for the ousting of Saddam Hussein from Kuwait, isn't it now time to enforce one of the hundreds of resolutions that have been offered and passed by the United Nations, one resolution to ameliorate the Cypriot situation?

Can we not amass the will that we did for the Kuwaiti situation and transpose it to Cyprus, that is the key question. We are hopeful that the ongoing U.N. forum is going to present an eventual solution, but every day that goes by exacerbates that wound, enlarges that wound, and that wound can lead to death of a republic itself if we do not act as the body politic that the world owes to that stricken island.

I rise in sympathy with the cause and in renewed pledge that this will not pass without our commentary, without our action, without our cajoling the United Nations, insisting on resolution of the issue, on justice for Cyprus.

As the gentlewoman who preceded me so forcefully said, it is time to end the fiasco of supplying arms to a NATO ally who turns them inwardly and uses those arms to perpetuate this fiasco of a subjugation.

We stand with you, I say to the gentleman from Florida, in pursuit of justice for Cyprus.

Mr. BILIRAKIS. Madam Speaker, I thank the gentleman. His words are very wise and certainly to the point. I

Madam Speaker, I yield to a cosponsor of this special order, a person to whom we look often for leadership on these particular issues, and a person who is very much concerned, not only for Greek and Cypriot causes, but also particularly human rights, the ranking Republican on the Human Rights Task Force, the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Madam Speaker, I come to the floor today, on July 20, as I have many times before, to commemorate the anniversary of the tragic separation of Cyprus by Turkish troops. I thank my good friend, the gentleman from Florida, for calling this special order and inviting the many Members of the House who support a unified Cyprus to speak or submit their remarks in writing about this issue on the floor.

I would also like to recognize three members of the Committee of Parents and Relatives of Missing Persons—Rev. Ekonomos Christophoros, the chairman; Nicos Sergides, and Andreas Vlamis.

This year is, as has already been mentioned, the 19th anniversary of the separation of Cyprus, a beautiful island in the Mediterranean Sea. On July 20, 1974, 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus and heavy fighting is reported to have taken place between them and the Cypriot National Guard. Turkish reinforcements arrived and the Turks pressed on to the capital city of Nicosia, where heavy street fighting took place with Cypriot National Guardsmen and Cypriot irregulars. Throughout the battles, the Turkish Air Force supported the land forces, bombing and strafing Greek-Cypriot positions and attacking the Nicosia airport. By the time a cease-fire had been arranged on August 16, Turkish forces had taken about one-third of the territory of the island.

Throughout the battles and subsequent occupation, tales of atrocities, abductions, rapes, and executions were heard. It was only as some of those abducted or taken prisoner of war began to filter back to their homes after the cease-fire that it became apparent that hundreds were missing.

In May 1992, the Congressional Human Rights Caucus held a hearing on this issue. We heard heart wrenching testimony of violations and subsequent coverups by the Turks and Madam Speaker, the coverup continues to this day.

Today, 19 years later, 1,619 have yet to return. Twenty-six of these were below the age of 16 when they were taken; 112 are women, and 5 are Americans. Andreas Kassapis, a United States citizen, was 17 years old when he was taken from his home by Turkish soldiers on August 20, 1974. In a desperate attempt to protect his son from the Turks, Kostas Kassapis—who is present today—gave Andreas his U.S. passport to take with him as he was taken away. But the Turks did not respect his United States citizenship and Mr. Kassapis still awaits word of his son's fate.

There are no doubts that the Turkish Army abducted the five Americans missing, including Andreas, or that the Turkish Government is responsible for accounting for them. Today 35,000 Turkish troops occupy the island of Cyprus and maintain the code of silence about their fates.

Unfortunately, Turkey and the Turkish-Cypriots have stonewalled at every turn on the issue of the missing. In 1980 and 1982, the United Nations acted to create a Commission on the Missing in Cyprus. The Commission relies on the Turks and Greeks and Turkish-Cypriots and Greek Cypriots to provide information about missing individuals. To date, the Turks have provided the Commission with no useful information about the people they abducted and not a single case has been resolved.

This conduct, Madam Speaker, is outrageous and unacceptable. As Co-

chairman of the Congressional Human Rights Caucus, I view the return of these detainees or their remains as a purely humanitarian issue. Any government that would keep thousands of the families in agony wondering about the fate of individuals missing for nearly 20 years, and which may be planning to use the missing as a bargaining chip, clearly does not share the values on which our Nation is founded. Nevertheless, this year the United States is going to provide Turkey with \$450 million in military loans and \$125 million in grant economic assistance. This is over half a billion dollars for a nation that does not have the compassion and decency to restore the peace of mind for these tormented families. I believe that United States assistance to Turkey should be directly linked to progress on the missing and reunification of Cyprus and other human rights concerns.

To highlight these issues and focus attention on the missing in Cyprus, my colleague ELIOT ENGEL of New York and I have formed the U.S. Committee on the Missing in Cyprus. We are joined on the Commission by our able colleagues CAROLYN MALONEY of New York and MARTIN HOKE of Ohio; Ed Derwinski, former Member of the House from Illinois and Secretary of Veterans Affairs; Ed Feighan, former Member of the House from Ohio, and strong supporter of Cypriot unity; and Maynard Wishner, chairman of the Jewish Community Relations Council and an American who has always put human rights for all people high on his personal agenda. Other members will include members of key House and Senate committees and subcommittees, former members, and members of the Celebrities for Cyprus group.

Recently, Mr. Denktash, the Turkish-Cypriot leader, again undermined the negotiating process in New York through his intransigence. The Turks invaded the island, they are the only nation that recognizes the so-called government in the north, they provide economic assistance to the north, have sent tens of thousands of settlers to the north, and they have an occupying force of 35,000 troops stationed on the island. Nevertheless, they have found it beyond their capabilities to exert any pressure on Mr. Denktash to end the division of the island. This, too, is outrageous and unacceptable. The United States should stop being played for a fool by the Turks and demand that these matters be sincerely and honestly addressed and resolved.

This year, the Appropriations Committee adopted report language that I offered on the Foreign Operations bill that expressed support for a fair, lasting and democratic solution to the separation of Cyprus and indicated that it would carefully monitor the progress of the Cyprus issue. If it becomes evident that there is obstruction by one side

that imperils a successful outcome, security assistance in that part of the world must be brought into question next fiscal year. I intend to carefully

Representative ENGEL and I are working on legislation that would call on the President, in cooperation with an appropriate international agency such as the Red Cross or the United Nations, to undertake an investigation of U.S. foreign-aid recipient to determine the whereabouts of the five missing Americans and seek to have them, or their remains, returned to their families.

Madam Speaker, the division of Cyprus simply has gone on too long. My wife, Kathryn, and I first traveled to Cyprus in 1981 and have returned a number of times. It is an incredibly beautiful island with wonderful, warm people and a rich history that is evidenced by a wealth of important archaeological sites and a exquisite legacy of art and architecture. Unfortunately, as you walk down the winding streets of Nicosia or drive through the Cypriot countryside, you are constantly reminded of the 35,000 Turkish troops that loom just beyond the horizon, beyond the U.N. peacekeeping troops, beyond the Green Line that slices Cyprus in two.

I urge the representatives of the two communities on Cyprus to come together for the sake of their people and the future of their country and reach a compromise. A generation has grown up on Cyprus not knowing peace and unity. I am concerned that the bond of shared experience between the two communities forged as a consequence of their living together for centuries will dissolve if they are not reunified soon.

I thank my good friend, Mr. BILIRAKIS, for calling this special order to draw attention to the ongoing situation on Cyprus and focusing attention on the missing. His commitment to Cyprus has been unwavering and his leadership has been instrumental in raising awareness of the Cyprus issue here in Congress. I also want to remind Members of a candlelight vigil that will be held in Lafayette Park across from the White House tomorrow, Wednesday, night starting at 8:30 p.m. I hope that Members will be able to attend.

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Mr. BILIRAKIS. I thank the gentleman for his beautiful remarks and leadership on this issue and so many other important issues.

Madam Speaker, I yield to the gentlewoman from New York, Mrs. LOWEY.

Mrs. LOWEY. Madam Speaker, I thank the gentleman for yielding and want to thank my colleague from Florida for his leadership on this issue.

Madam Speaker, It is difficult to believe that 19 years have passed since the Turkish invasion of Cyprus. Nineteen years and the occupation continues. Nineteen years since, in the words

of the New York Times, "Turkey's armed intervention and a brutal population exchange displaced 160,000 Greek Cypriots and 45,000 Turkish Cypriots." Nineteen years and the world seems neither to remember nor to care.

That is why I am pleased that we have this opportunity today. Today, we recall what happened in Cyprus 19 years ago and we pledge both to fight to end the occupation and to discover after 19 long years, what became of 1,614 missing Greek Cypriots, and five Americans.

In the 19 years since the Turkish invasion, we have seen dramatic changes in the world. In the last decade alone, we witnessed the collapse of Communism. We watched as the Berlin Wall fell. And we now wait anxiously as the Arabs and Israelis sit down together at the negotiating table. We have seen miracles happen. We have seen peace and hope develop across the globe—but not in Cyprus.

On July 20, 1974, 19 years ago today, Turkey invaded the island of Cyprus. Tens of thousands of Cypriots were uprooted from their homes, their property lost and their dreams decimated. More than 160,000 Greeks became refugees living in an exile which continues 19 years later. The losses to the community in property and assets was in the billions. The damage done to ancient relics and historical sites—some dating back to 500 B.C.—is immeasurable and can never be fully restored.

The systematic destruction of Cypriot culture is evident to us in the Turkish attempt to strip the region of its Greek heritage. As a September 5, 1992 editorial in the New York Times stated: "Ethnic cleansing * * * occurred in Cyprus long before Bosnia."

The invasion also leaves us with questions about 1,619 individuals who disappeared without a trace—five of them U.S. citizens. What happened to these people? Although they were known to be under control of the Turks after the invasion, we have been told nothing of their whereabouts. One such tragic case is that of a 17-year-old boy on vacation. He was taken before his father's eyes, U.S. passport in hand, He has not been heard from, and many have given up hope.

To this day, Turkish troops occupy 37 percent of that nation's land—land which holds approximately 70 percent of the island's economic potential. More than 30,000 Turkish troops are still in Cyprus guarding these holdings. The country remains divided—quite literally—by a barbed wire fence, the Green Line. This line divides thousands of people from their homes and dreams they once knew. This line separates a people from the history and culture they once possessed. This line is destroying a nation. The occupation of Cyprus must end.

Mr. BILIRAKIS. I thank the gentlewoman for her fine remarks.

Madam Speaker, I yield to the gentlewoman from California, Ms. PELOSI.

Ms. PELOSI. Madam Speaker, I too commend the gentleman from Florida for calling this special order. In the interests of time, I will submit my statement for the RECORD.

I do want to just say though that it is appropriate today for us to reiterate our commitment to a resolution of the Cypriot situation and to commend Greek-Cypriots for their dedication to a peaceful settlement of the island's armed conflict.

Madam Speaker, I join with my colleagues in calling for a long-awaited, just reunification of the island of Cyprus.

Madam Speaker, I rise today to mark the 19th anniversary of the occupation and division of the Republic of Cyprus. I thank my colleagues, Mr. BILIRAKIS, Ms. MALONEY, and Mr. PORTER for calling this special order.

This is not a happy occasion, Madam Speaker, but it is one which serves to remind us of the continuing strife that the people of Cyprus have faced day-in and day-out for nearly two decades.

In 1974, Turkey invaded the republic of Cyprus, using United States military equipment to kill 4,000 Greek Cypriots and capture over 1,600 Greek Cypriots and 5 United States citizens, who are all still missing. The Turkish invasion also resulted in the tragic displacement of 160,000 Greek Cypriots and 45,000 Turkish Cypriots. Since that time, Turkey has illegally maintained and financed troops on the island while U.N. guards have patrolled the nebulous border of the unrecognized Turkish-Cypriot regime.

Turkey's occupation of Cyprus violates 54 United Nations resolutions and over 25 congressional expressions of opposition. A September 1992 New York Times editorial characterizes Cyprus as " * * * a cruelly divided economic slum." Madam Speaker, 19 years is far too long for any peoples to wait for political stability and justice. The Turks repeatedly refuse to negotiate a settlement, even when the settlement offers the 18 percent Turkish-Cypriot minority community more than double its share of political representation and land.

It is appropriate today for us to reiterate our commitment to a resolution of the Cypriot situation and to commend Greek-Cypriots for their dedication to a peaceful settlement of the island's armed conflict. Madam Speaker, I join my colleagues in their call for a long-awaited, just reunification of the island of Cyprus.

Mr. BILIRAKIS. I thank the gentlewoman. I would say to her that we really have it within our power, it is in our hands to do what we know needs to be done, and we are not doing it. There is an awful lot of rhetoric, is there not, but we do not really see the action that is so very necessary.

But with the fine leadership of the gentlewoman from California and the fine leadership of others, we are going to get this accomplished. Thank you, Nancy.

Madam Speaker, as has been said by so many others, in the summer of 1974, Turkish forces occupied what is the

northern part of Cyprus. As a result of this illegal military invasion, 1,619 people have never been seen again. Mr. Speaker I would stress that in that number of 1,619, 5 are U.S. citizens.

Last year, I had the opportunity to chair a congressional human rights caucus hearing which dealt with the missing individuals in Cyprus as a result to the 1974 illegal Turkish military invasion. What I heard was heart wrenching. We had the opportunity to have a small informal briefing with Costas Kassapis. Costas Kassapis is an American citizen from the State of Michigan. He and his family, who are American citizens as well were in Cyprus at the time of the occupation. His son Andrew, who was only 17 years old, is among the missing. Andrew Kassapis was dragged off by Turkish soldiers with American passport in hand. Andrew has not been seen or heard from since.

Costas Kassapis made a heart-warming plea to us in that briefing. He made sure to tell us that he hates no one. All he wants, Mr. Speaker, is his boy Andrew. Costas Kassapis' words are these:

If he is alive, I want him back. If he is not, I need a concrete answer as to what has happened. I need help finding out. My family and I have suffered very much these past 18 years wondering where Andrew is. Our thoughts and prayers are with him every single day wondering if he is hungry or fed. If he is rotting in a Turkish prison.

Mr. Speaker, why is it that five American citizens are still missing as a result of the illegal Turkish invasion of Cyprus in 1974? Turkey is considered by the United States and this administration as an ally, and yet they have not told us what has happened to these people. Has our government truly, strongly inquired? I am disappointed to say, I think not.

For years we've not know what really happened to these people. All we have is the word of Mr. Denktash (Dank-Tash), the leader of the Turkish-Cypriots, that these people are dead. Mr. Speaker, that is not enough. We must find out what has happened to the five Americans in 1974 and the rest of the missing Greek-Cypriots. If we are ever to find peace in that part of the world we must have concrete evidence on what has happened.

In 1974 Turkish television and newsreels produced photographs of prisoners of war that were taken during the occupation. They show Greek Cypriot soldiers on their knees with their hands above their heads. These prisoners of war that have been identified in these photographs and newsreels are still listed as missing. If these defenseless soldiers are dead, as Mr. Denktash told us, then we have a direct and flagrant disregard for the Geneva Convention.

Recently, there have been talks held under the auspices of the United Nations—as proposed by the U.N. Secretary-General. However, these talks

are now at a complete standstill due to the unwillingness of Mr. Denktash to negotiate with the Greek-Cypriots.

It is surely in Turkey's best interest to resolve this problem expeditiously. In fact, Turkey's intransigence is one more stumbling block keeping her from becoming an accepted part of the European Community. While Turkey has other problems to solve in this regard, the European Community has made it clear that membership is contingent upon resolution of the Cyprus problem.

Mr. Speaker, 200,000 men, women and children were forcibly expelled from occupied Cyprus. They are now refugees—a people without a home. These refugees have been living through a 19-year darkness.

Turkey continues its illegal occupation of northern Cyprus—one recognized by no other government on earth. Turkey continues to station more than 30,000 troops there and to maintain some 65,000 settlers on Cyprus. Frequent incidents and disputes scar the populace.

Cyprus is the only, let me repeat the only, country in Europe with 37 percent of its land under the occupation of an invading force. Furthermore, Turkey continues to change the demography of Cyprus by transplanting Turkish settlers there. In the near future, the settlers and the occupying troops will outnumber the indigenous Turkish-Cypriot population—and with each passing day the tension on the island grows.

Greece and Turkey both can be valued and valuable U.S. allies and trading partners in a region of growing significance. Is resolution of the Cyprus problem too much to ask to bring an end to long, bitter and sometimes hostile conflict, and to secure peace and stability in the region? I say no, Mr. Speaker.

Cyprus has seen a rape of its culture; a pillaging of its antiquities. Churches have been plundered and ransacked. Beautiful frescos have been stripped off the walls of these religious institutions—including the famous church of Antiphonitis. Other churches have been converted into mosques, a still more have been turned into cinemas and recreational centers. What Cypriots have witnessed is the intentional destruction and pillaging of their cultural heritage.

Many archeological sites have been plundered and irreplaceable artifacts have been either destroyed or sold off. Foreign markets have been flooded with important artifacts since the invasion. Historical sites, some dating back to 500 B.C., were damaged during the invasion and hostilities that followed. While important historical buildings often are the unintended casualties of war, I understand that some sites were bombed needlessly. Still other sites were vandalized by Turkish forces.

Mr. Speaker, we must end the occupation of this island-nation before all traces of Cypriot culture and history are trampled underfoot.

We in the Congress have a responsibility to use our influence to see Cyprus made whole again, to rescue the thousands of Greek-Cypriots who have become refugees in the land of their birth. Like those faithful Cypriots in my district and elsewhere, we must do our utmost in this cause.

Mr. ENGEL. Madam Speaker, today we remember a very sad anniversary. Nineteen years ago Turkish troops invaded the northern part of Cyprus. In the aftermath of this invasion the population of Cyprus was widely dispersed. Over 2,000 individuals were arrested or disappeared. Among them were five U.S. citizens. We still have no knowledge of their whereabouts. Nobody has ever heard again of Andrew Kassapis, Christos Libertos, Kyriacos Leontiou, Socrates Kapsouris, and Jack Sofocleus.

I am cochair of the newly formed Committee on the Missing Americans in Cyprus. Today we heard the passionate and moving report of Costas Kassapis—for the past two decades he has been searching for his son Andrew. In 1974 Andrew Kassapis was 17 years old and was holding a U.S. passport in his hands when he was captured by Turkish troops. Since then, his father as well as the families of the many other missing have tried relentlessly to find traces of their beloved ones.

Turkey—our NATO ally, a major recipient of American foreign aid—more than half a billion—and an aspirant for European Community membership—has so far declined to answer the important questions posed by these families, the United States, and the international community.

After 20 years it is time to bring light to this most tragic and inhuman aspect of the Turkish occupation of Cyprus. To this end I will soon be introducing legislation that calls upon the President to investigate the issue of the missing people in Cyprus.

The long suffering of the families of the missing cannot be ignored. Their questions cannot remain unanswered. They long for the truth, and they deserve a full and honest account of what happened to their beloved ones.

I will work with Congress, with the Committee on Missing Americans in Cyprus, and the administration to urge all parties concerned to provide the basic facts on the fate of the missing people, and to finally bring peace to the hearts of their suffering families.

Thank you, Madam Speaker.

Ms. SNOWE. Madam Speaker, I would like to commend my colleagues, Mr. BILIRAKIS, Mrs. MALONEY, and Mr. PORTER, for calling this special order to mark the 19 years of illegal Turkish occupation of northern Cyprus.

On this date in 1974, Turkish forces invaded Cyprus on the preposterous pretext that it needed to protect Turkish Cypriots from alleged Greek Cypriot aggression. This brutal invasion by Turkey drove more than 200,000 Cypriots from their homes and reduced them to the status of refugees in their own land. More than 2,000 people are still missing.

The Turkish Army seized 40 percent of the land mass of Cyprus, representing 70 percent

of the economic wealth of the country. Today there are almost 30,000 Turkish troops enforcing the illegal division of the island. Barbed wire stretches across the country like an ugly snare, and armed check points dot the Green Line.

Keeping the Turks at bay is a U.N. peacekeeping force of just 1,500 soldiers. But dark clouds are beginning to gather over this U.N. force. The participating countries are starting to question whether their troops are still making a worthwhile contribution. Canada will withdraw its 575 troops by September, and Finland will withdraw its contingent by the end of the year. In a time when the United Nations is taking on greater peacekeeping responsibilities, it cannot allow the gradual erosion of the existing peacekeeping force on Cyprus.

Despite the diplomatic efforts of the United Nations, actively supported by the United States, a political solution to the tragedy on Cyprus still eludes us. The Turkish side continued to undermine the U.N. effort to achieve progress toward a settlement.

Last year's negotiations broke down because of the continued intransigence of Turkish Cypriot leader Denktash. U.N. Security Council Resolution 789 laid responsibility for the failure squarely at Mr. Denktash's feet.

Earlier this month, U.N. Secretary General Boutros Boutros Ghali again severely criticized Mr. Denktash in a report to the Security Council. Mr. Denktash had failed to honor an agreement to return to New York and continue negotiations with Cyprus President Clerides on a package of confidence-building measures proposed by the Secretary General.

The message that emerges from the Secretary General's report is clear to all—Turkish intransigence is the single biggest obstacle to a negotiated settlement of the illegal division of Cyprus. Their obstructionism prolongs the agony of Cyprus. Only strong and sustained diplomatic pressure on the Turks will force them to negotiate in good faith.

Much of the world's attention is focused on the human tragedies unfolding in places like the Balkans and Somalia. These places deserve our compassion and aid, but the ongoing suffering of Cyprus should not be forgotten either.

It is therefore incumbent on us, as Members of Congress, to use occasions such as this to speak out on the outrageous violations of human rights and international law that are still being inflicted by Turkey on the people of Cyprus. We must remain vigilant and determined in our struggle to restore freedom and justice throughout Cyprus. Until then, we shall need the active help of freedom-loving people everywhere and we must continue to speak out against this terrible oppression.

Mr. BONIOR. Madam Speaker, I'd like to thank my distinguished colleagues Representatives MICHAEL BILIRAKIS, CAROLYN B. MALONEY, and JOHN PORTER for holding this special order to mark the 19th anniversary of the Turkish invasion of Cyprus.

A few years ago, my friend Colman McCarthy wrote, that of the planet's wars, Cyprus "is potentially among the most easily solved diplomatically." Thus it is with considerable frustration that I join my colleagues today while 35,000 Turkish troops remain on Cyprus.

On July 20, 1974, Turkish troops invaded Cyprus. They now occupy a portion of the island twice as large as the Turkish-Cypriot population. In a chilling reminder of the Berlin Wall, a barbed wire fence known as the Green Line cuts across Cyprus separating thousands of Greek-Cypriots from the towns and communities that their families lived in for generations.

Thousands of people have been killed as a result of the invasion. The fate of 1,619 more remains unknown—including 5 Americans. One of the missing is Andrew Kassapis from Michigan who was taken captive by Turkish soldiers while he was vacationing in Cyprus with his parents. Andrew, who was 17 years old in 1974, was taken even though he had his U.S. passport with him.

Andrew's father, Costas Kassapis, has had to struggle all these years without knowing the fate of his son. The Turkish Government has stated that all 1,619 people are dead, without providing any solid evidence on their whereabouts. The families and friends of those missing deserve to know the fate of their loved ones.

Madam Speaker, the last few years have marked phenomenal advances of freedom and democracy around the world. Yet Cyprus remains divided. In the same column, Colman McCarthy asked, "If a touch of peace can't descend on one of the world's most beautiful islands—where can it?"

Certainly a solution in Cyprus is within our grasp if we have the will to find it. It is my deep hope that next year I will be joining my colleagues to mark the first anniversary of a unified Cyprus.

Mr. WAXMAN. Madam Speaker, I rise today in strong support of the special order marking the 19th anniversary of Turkey's invasion of Cyprus.

Sadly, the small island of Cyprus remains divided 19 years after the Turkish invasion. Turkish troops continue to occupy close to 40 percent of Cyprus and thousands of Cypriots have been separated from their homes and property. Despite the dramatic changes of the past few years that have fundamentally transformed the world map, Cyprus remains in a state of potentially dangerous conflict. The time is ripe for a resolution of this problem, one which would help improve relations between Turkey and the entire European Community.

Any just settlement must acknowledge both the entitlement of Greek-Cypriots—who compose 80 percent of the population—to the fruits of majority rule. At the same time, a just settlement must also guarantee Turkish Cypriots all the safeguards of mandated minority rights.

With a renewed commitment on the part of the United States and the United Nations, the Cyprus problem can be resolved. The resolution of the Cyprus problem will reduce tensions between Greece and Turkey while helping to stabilize the already volatile situation in the eastern Mediterranean.

Madam Speaker, the United States must make a concerted effort to bring the Cyprus issue to the forefront of foreign policy concerns by encouraging participation in a conference between all legitimate parties and helping to bring peace and democracy to the people of Cyprus.

Mr. GALLO. Madam Speaker, I join my colleagues in supporting this special order regarding the oppression of the Cypriot people, and, in requiring Turkey to abide by international mandates to restore Cyprus to its independent status.

Almost two decades ago, the military invasion of Cyprus resulted in the disappearance of 1,619 people, including 5 American citizens. Their whereabouts are still unknown. Turkey continues to maintain a military force in Cyprus, and has disregarded international requests to vacate the occupied territory. In an era when dozens of countries around the world have gained independence, Cyprus remains controlled. The Cypriot people have endured the occupation of their country long enough.

Turkey's continuing defiance of international mandates deserves our attention. I strongly support the suspension of all military and economic aid to Turkey until it adheres to all international mandates imposed upon it, including the restoration of Cyprus to its independent status.

I urge my colleagues to support efforts to restore justice to Cyprus and its people. Turkey must understand that such actions against innocent neighbors cannot be condoned. It appears that the restriction of aid is the only remaining form of persuasion available to bring an expedient resolution to this situation.

Mr. FAZIO. Madam Speaker, I join my colleagues today—the 19th year of the occupation and division of the Republic of Cyprus—in this special order recognizing this solemn anniversary.

Thirty-three years ago, the island of Cyprus gained its independence from Great Britain; however, for 19 years, the northern part of the island has been under the grip of foreign occupation. When Turkish troops invaded Cyprus, 200,000 Greek Cypriots were driven from their homes, deprived of their possessions, and reduced to refugee status in their own land. Since the invasion, the island has been marked with violence and bloodshed.

When the island was originally divided in 1974, Turkish troops also seized and removed over 1,600 men, women and children. Five of these "Cyprus disappeared" were American citizens, and three were relatives of American citizens. To this day, their families have no idea whether or not they remain in danger. They do not know if they are sick or well, dead or alive.

The Turkish Government has yet to adequately account for any of those who disappeared at that time. Although it maintains that all of them are dead, it has produced no solid evidence of their status. In the meantime, however, families continue to suffer, as they draw their own conclusions about what has happened to their loved ones.

We are challenged with both working toward a free, unified Cyprus, and with focusing our efforts on putting this issue to rest for these victims, as well as for their families and friends. It is time to bring their heartache and torture to a close, once and for all.

For this reason I would like to commend my colleagues, Mr. ENGEL of New York and Mr. PORTER of Illinois, for forming the Committee on the Missing in Cyprus, which will seek to determine the fate of the 5 American citizens

and over 1600 Greek-Cypriots who have been missing since the 1974 Turkish invasion.

I would also like to thank the distinguished gentleman from Florida, Mr. BILIRAKIS; the distinguished gentlewoman from New York and Mrs. MALONEY; and, again, Mr. PORTER for calling this special order and giving us all the opportunity to reaffirm our commitment—to the innocent victims and families of Cyprus' occupation, as well as to an end to the turmoil and conflict under which Cypriots currently live.

Mr. PALLONE. Madam Speaker, it was 19 years ago today that Turkish troops invaded and subsequently occupied over a third of the territory of the Republic of Cyprus, causing the loss of 6,000 lives and the forcible expulsion of 200,000 Greek-Cypriots who became refugees in their own country. Every year at this time, I join with many of my colleagues to commemorate this tragic anniversary, and to remind the Members of this House, the American people and the world that this lovely island in the Mediterranean remains a land divided by barbed wire and bitterness. But this year, we wish to draw special attention to the 1,619 missing persons. This number includes women and young people, as well as soldiers, who disappeared consequent to the Turkish invasion.

Madam Speaker, the missing Greek-Cypriots, whose tragedy we commemorate today, were arrested by the Turkish Army and/or by Turkish-Cypriots under the control and command of Turkey's Armed Forces. Subsequent to their arrest, many were transported to Turkey and kept as prisoners in Turkish jails. Since 1974, despite appeals to the Turkish Government and to other international organizations, Turkey—contrary to international law and human rights conventions—refuses to provide any information about their fate. The Turkish Government—our NATO ally—continues to deny that there are any Greek-Cypriots being held and still goes through the charade of professing no knowledge of the fate of the missing.

Yet, Madam Speaker, the record over the past 19 years raises serious questions about the truthfulness of Turkish denials. Shortly after the cessation of activities, there were eye-witness accounts and sworn testimonies stating that there were widespread arrests carried out by the Turkish Army as well as sightings, both in Turkish-occupied Cyprus and mainland Turkey, of missing persons in the custody of Turkish troops. On one of the few occasions when United Nations and Red Cross officials have made unannounced visits to places where Greek-Cypriots were supposed to be imprisoned, in November 1974, five individuals were found. Turkey's own print media and radio have contributed to the body of evidence with published reports and broadcast interviews with missing persons. The International Red Cross and Amnesty International have lists of names of missing persons compiled during visits to Turkish detention centers.

I can imagine that many of the Members speaking tonight will receive letters from the Turkish Embassy taking us to task for discussing this issue, challenging our facts, and accusing us of spreading Greek propaganda. In fact, the information that we have comes, as I have indicated, from a variety of international

sources, including some Turkish sources. Yet, to its great dishonor, the Turkish Government has stonewalled Amnesty International, the Committee on Missing Persons of the United Nations, and the European Commission on Human Rights.

The youngest of the missing was 5 years old at the time of his arrest. Eight U.S. citizens are among the missing, including a 17-year-old student at the American Academy. The friends, relatives, and supporters of the disappeared have been given absolutely no information or assistance from Turkey or the Turkish-Cypriot leadership. A candlelight vigil will be held for the missing tomorrow evening at 8:30 p.m. in front of the White House. While I salute those participating in the vigil, and my heart and my support goes out to the families and friends, I hope that this will be the last of the vigils.

Madam Speaker, Turkey has been the recipient of large amounts of United States military and economic aid. Turkey is a member of NATO, an organization founded to promote and protect peace and democracy in Europe. Thus, it is especially troubling to see such aggressive and undemocratic behavior by one of our allies. The U.N. Secretary General, Boutros Boutros-Ghali has criticized the Turkish-Cypriot leader, Rauf Denktash, for undermining the talks aimed at reunifying the island. Our State Department has expressed its support for the U.N.'s package of confidence building measures, and has urged Turkey to play a helpful role in convincing the Turkish-Cypriot leadership to support these steps. Recently, we have read about a new generation of leadership, including the new prime minister Ms. Tansu Ciller coming to power in Turkey. Let us hope that the new leadership will make a break with some of that country's unfortunate past. A good place to start would be by providing a full accounting of the fate of the 1,619 missing people, and the immediate release of all prisoners who have survived these 19 years in captivity.

In closing, Madam Speaker, I would like to bid farewell to the distinguished Ambassador of Cyprus to the United States, Mr. Michael E. Sherifis. In his 4 years in Washington, Ambassador Sherifis has done great work in building better United States-Cypriot ties and in drawing our attention to the tragedy of his divided land. As he returns home to the Foreign Ministry in Nicosia, I am sure he will continue to be a leader in the struggle for a just and lasting solution to the tragedy of this beautiful land.

Mr. MANTON. Madam Speaker, I rise today to join my colleagues in this important special order marking the 19th anniversary of Turkey's invasion of Cyprus. At the outset, I want to thank my colleagues Mr. BILIRAKIS, Mrs. MALONEY and Mr. PORTER for organizing this important special order to commemorate this anniversary.

The division of Cyprus has the distinction of being one of the most intractable in the world today. Since Turkey first invaded Cyprus in 1974, 1,619 people including 8 Americans last seen alive in the occupied areas of Cyprus have never been accounted for. We must not let the passage of years weaken our resolve to pressure the Turkish Government to provide answers to the families of the missing. We cannot forget their suffering continues.

Madam Speaker, last year, when marking this solemn anniversary, many of us felt hopeful that this conflict would soon be resolved peacefully through the auspices of the United Nations. Today, while I applaud the efforts of the United Nations to resolve the issue of the continuing division of Cyprus, I am very frustrated by Turkish leader Rauf Denktash's stubborn resistance to meaningful negotiations. It is not just Greek-Cypriots and their supporters who think Denktash has been unreasonable. Earlier this month in a statement to the Security Council, U.N. Secretary General Boutros-Boutros Ghali criticized Denktash because he failed to honor the agreement to return to New York and negotiate with Cyprus President Glafcos Clerides on the Secretary General's preliminary proposals. Furthermore, the Security Council President David Hannay expressed the disappointment of that body that Mr. Denktash has not honored his commitment and asked the Secretary General to report back to that body his progress and if required, his recommendations for action by the Security Council.

Madam Speaker, I want to take this opportunity to commend the Secretary General for his tireless efforts to resolve this issue. I also want to recognize the Greek-Cypriot people for their valiant commitment to resolving this conflict, despite the seemingly bad faith shown by the Turkish side. It is my hope that this will be the last year Members must join to discuss the longstanding problems of the people of Cyprus, that next year we may join to celebrate the end to this conflict. Until that happens, the Turkish Government must know we in the United States will continue to mark this anniversary and speak out for rights of the missing.

Mr. KENNEDY. Madam Speaker, news wires report that earlier today air raid sirens wailed, flag flew at half mast, and church bells tolled as Greek-Cypriots observed the 19th anniversary of the Turkish invasion that divided their homeland.

I want to thank Mr. BILIRAKIS for organizing this special order. It is important for us to mark our remembrance of the brutal invasion and division of Cyprus. It is time for renewed commitment to bringing this tragedy to an end.

Turkey remains an important ally of the United States. They receive hundreds of millions of dollars in U.S. economic and military assistance. Some are hesitant to bring pressure to bear on the Turkish Government on human rights issues and the occupation of northern Cyprus. I think that is a mistake.

Earlier today, groups representing 180,000 Greek-Cypriot refugees from the north visited the Embassies in Nicosia of the 5 permanent members of the United Nations Security Council. They demanded implementation of U.N. resolutions designed to end the tragedy of a divided Cyprus. U.N. talks between Cyprus and Turkish-Cypriot authorities were scheduled to resume in June, but were postponed.

The Turkish military occupation of northern Cyprus continues, after 19 difficult years. The introduction of Turkish settlers moves ahead. There are still more than 1,000 people, including 5 U.S. citizens, unaccounted for since the time of the Turkish invasion. As long as this is the case, it must be the obligation of the United States, and the international community as

a whole, to stand firmly behind U.N. resolutions that would end the occupation and division of Cyprus. The courageous people of the Republic of Cyprus deserve no less from us.

Mr. MARTINEZ. Madam Speaker, I rise today to join my colleagues in commemorating the 19th anniversary of the invasion and division of Cyprus. On July 20, 1974, Turkey invaded northern Cyprus and has occupied the territory ever since. For 19 years Turkey has imposed its will on northern Cyprus while flouting, with impunity, international law. There are still as of today nearly 30,000 Turkish troops occupying Cypriot soil.

President Glafcos Clerides of the Republic of Cyprus has, since his election to office last February, been working with the United Nations to reach a viable and just solution to his country's problem. However, the Turkish-Cypriot leader, Rauf Denktash, continues to throw obstacles before the U.N.-sponsored confidence building measures aimed at resolving the Cypriot political impasse.

In an effort to encourage gradual steps toward reconciliation between Greek- and Turkish-Cypriots, the United Nations has proposed placing part of the uninhabited, Turkish-occupied town of Varosha under U.N. control. The United Nations has also proposed reopening the abandoned Nicosia International Airport which would be made available to both communal groups. The United Nations mediating approach is a serious effort to break the political stalemate which has, thus far, proven intractable.

I fully endorse the President Clinton's recent pledge to exert United States sizable influence toward promoting a peaceful settlement of the Cyprus issue. For far too long the people of this island nation has harvested the bitter fruit of communal strife and ethnic suspicion. After 19 years of partition and acrimony, it is high time for all Cypriots, ethnic Greeks, and ethnic Turks alike, to begin the process of reconciliation. The United States can and must play a more active role in helping the Cypriot people broach the political and territorial divide that has torn this island apart.

Mr. CARDIN. Mr. Speaker, I rise today to join my colleagues, Representative MICHAEL BILIRAKIS, Representative CAROLYN MALONEY, and Representative JOHN PORTER, in remembering the 19th anniversary of the Turkish invasion of Cyprus. I wanted to join my colleagues in this special order in order to highlight the need for finding a peaceful solution to this sad and difficult situation.

The eastern Mediterranean island of Cyprus has been divided since the Turks invaded Cyprus in 1974. United Nations peacekeeping forces currently patrol a line separating about 170,000 Turkish Cypriots in the north and 650,000 Greek Cypriots in the south.

Just last month, the U.N. Peacekeeping Force in Cyprus was renewed for an additional 6 months. In so doing, the U.N. Security Council called for the "parties to carry forward expeditiously and in a constructive manner the intercommunal talks under the auspices of the Secretary-General."

The people of Cyprus, both Turkish and Greek, deserve to be free from the hostilities that have plagued their island for the last 19 years. The status quo—a divided nation—is untenable.

The time has long passed for the Turkish occupation forces to be withdrawn. The world community, particularly the United States, must press for a peaceful resolution of the Cyprus problem. Greek and Turkish Cypriots should be permitted to return to their homes and to determine for themselves the future direction of Cyprus.

□ 2000

1993 BUDGET RECONCILIATION ACT: SMALL BUSINESS CONCERNS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 60 minutes.

Ms. DELAURO. Madam Speaker, last November, Americans all across the country expressed their desire for change. They said they wanted Congress and a new President to act on health care, on the economy, and on jobs. Both Houses of Congress have passed budget reconciliation legislation, and the Conference Committee began its work last week. In the next 3 weeks, Congress will fashion a compromise budget plan which will reduce our budget deficits, thereby building a strong foundation for long-term economic growth and job creation. We will have to make some tough choices. Change after 12 years of economic mismanagement does not come without a price. But we cannot, in good conscience, do anything less.

Tonight, I want to talk about how this economic plan will help small businesses. The budget reconciliation bill passed by the House takes an important step in putting our Nation back on the road to fiscal responsibility and it provides very real help to small businesses. I urge our conferees to fight hard to hold to the provisions passed by the House of Representatives that are vital to our small businesses and to job creation.

Small business is the main engine of job creation and economic prosperity. However, as we can see in Chart 1, businesses have gone into bankruptcy at a faster rate during the last decade than at any time since the Great Depression. The increase in business failures during 1991 was comparable with that during the 1981-1982 recession. And when the most recent recession took hold the small business job engine ground to a halt.

The economic policies of the past 12 years have been bad for small business. Let's remember those who now jump to criticize the President's plan killed business for a decade and created almost no private sector jobs. Small businesses in Connecticut, like small businesses elsewhere, are desperately looking for help after years of struggle.

The House plan answers their plea. It extends the kind of investment that will make a real difference for small businesses. It offers incentives for busi-

nesses that reinvest in themselves, cuts the capital gains rate for small business investments, and provides health deductions for the self-employed. And 96 percent of small businesses are exempted from any new income tax increase. They will see no change in their individual or corporate tax rates. The 4 percent of small businesses who will pay higher income taxes are not mom-and-pop businesses.

The average affected individual makes \$560,000 per year, and 43 percent of all income of these taxpayers goes to people who make more than \$1 million. Perhaps most importantly, by passing the tough deficit reduction plan submitted by President Clinton, small businesses will benefit from continued low interest rates—the lowest long-term interest rates in 16 years—6.54 percent. That is the lowest level since 1977.

Madam Speaker, let's talk about some of the specifics in the Clinton Economic Plan.

Tax rates. As I mentioned earlier, 96 percent of small businesses that file individual returns will not be affected by the increase in individual rates. Ninety-six percent of those who file as proprietorships, partnerships, or subchapter S corporations will not be affected by the increases in individual rates. Why is this so? Because individual rate increases in the plan apply only to those businesses that will make more than \$140,000 a year in profits—for those filing jointly—after deductions are taken for paying employees and making new investments to expand. Keep in mind that 98 percent of American

As you can see by this chart—chart 2—the Treasury Department estimates that only 4.2 percent of all small businesses that file as proprietorships, partnerships, or subchapter S corporations will be above this threshold.

In addition, 100 percent of small businesses that file corporate returns will not be affected by the increase in corporate rates. The increased corporate rate for businesses that file as corporations does not even apply to small businesses—it affects only corporations with taxable income in excess of \$10 million a year.

Rewards for investment. In chart 3 we can see the decline in business investment over the past 10 years. That decline has cost this country jobs and productivity.

Under the plan, those small businesses that put money back into their businesses for economic growth and expansion will be able to take advantage of tax incentives like increased expensing provisions and the capital gains exclusion for investments in small businesses.

The President proposed more than doubling from \$10,000 the investments that small businesses will be able to expense immediately, freeing up cash

flow and allowing new investments in training and equipment to create new jobs. The plan also gives investors generous tax incentives to provide equity capital to productive small businesses, thus encouraging risk-taking and innovation. Under this plan, half the long-term capital gains made from investment in small businesses would be excluded from taxes.

Super-expensing in empowerment zones. The plan increases from \$10,000 to \$75,000 the amount that small businesses located in 10 empowerment zones may expense, and provides other incentives for small businesses located in our Nation's most distressed communities.

Research and experimentation tax credit extension. The plan fosters economic growth, technological development, and international competitiveness permanently by extending the research and experimentation tax credit. It extends a 20-percent credit for qualified research expenditures, and includes a new rule relating to startup companies that will make it easier for them to qualify for the credit by simplifying and rationalizing the rules for computing research eligible for the credit.

Health care costs. The plan includes a retroactive extension of the 25-percent deduction for health insurance premiums of the self-employed.

Tax-exempt bonds. The plan also includes a retroactive extension of the ability of State and local governments to issue tax-exempt bonds for small businesses. In addition, the plan extends a current provision allowing local jurisdictions to issue tax-exempt qualified small-issue bonds when they are used to help finance manufacturing facilities.

Lower borrowing costs. Markets have already responded to the President's deficit reduction plan. Long-term interest rates have dropped 1 whole point to 6.54 percent as I said earlier, and mortgage rates—now at 7.16 percent for a 30-year fixed mortgage—are at a 20-year low.

These key small business elements of the plan will spur job growth. During the last 4 years, only 1 million private sector jobs were created—just 20,000 a month. But largely because the President has shown the commitment and courage to cut the deficit—and has submitted a concrete plan, job creation is now up.

In the first 5 months of the Clinton administration, 740,000 private sector jobs have been created—over 140,000 jobs per month—more than 7 times the rate of the last administration. Several independent analysts have projected that growth in the economy under the Clinton plan will create over 8 million jobs in the next 4 years. Furthermore,

studies by the Joint Economic Committee and the National Venture Capital Association show that the President's capital gains cut for small businesses and his expensing provision will create at least 200,000 more jobs in small businesses.

Critics of the plan have claimed that it hurts small business, when, in fact, the vast majority of small businesses won't be affected and all income tax increases will fall only on the wealthiest 1.2 percent of Americans. Some of the same architects of the policies that led to the worst private sector jobs growth since the Great Depression want to return to the policies of the past—under the argument that raising taxes on the top 1.2 percent of individuals will hurt the economy and keep small businesses from creating jobs. In a June 25 article the Wall Street Journal stated: "Having been battered in last year's Presidential campaign as defenders of the wealthy, Republicans hardly want to oppose the President's proposed income tax increases head on and bemoan the burden on the nation's richest 1.2 percent of the population. So they're playing up the plight of small businesses. * * * But many of the Republican arguments are specious. Despite GOP claims that most of the burden of the higher rates would fall on small business owners, Joint Tax Committee data show otherwise." Keep in mind this is the Wall Street Journal talking.

And in another article just today, the Wall Street Journal found that "most corner grocery stores and neighborhood car washes * * * don't earn nearly enough to be affected" by the President's plan. Yet the Republicans continue to rail against the impact of this plan on small businesses—politicizing the issue instead of trying to meet the needs of small business.

The most vocal group opposing the small business portions of the President's plan is Citizens for a Sound Economy—headed by President Reagan's budget director. Afraid to look like they are protecting the rich, the Republicans attacked the plan on behalf of small business. But as the Journal, the New York Times, and the Washington Post have all pointed out, the Republican arguments are empty.

And although the Republicans would have us believe that small business is against the President's proposal, the small business men and women in my own State of Connecticut that I have spoken to like the President's plan. They believe it brings real help to their effort to start to move forward again and start creating new jobs.

Let me give you an example. Michael O'Mally is about to start a new business that will employ 4 people by September and he hopes 15 or more within a couple of years. Mr. O'Mally's dream of starting his own business and creating new jobs almost didn't happen. What made the difference was an SBA guaranteed loan. A guaranteed loan

Mr. O'Mally's new business will provide business data and information to other service and manufacturing businesses. Mr. O'Mally is providing a service vital to the future of our small Connecticut businesses—access to the information, tools and training they need to compete and succeed.

Much of Mr. O'Mally's initial capital is going to be used to invest in the equipment his business needs to operate—computers, data processing terminals, scanners, equipment to access on line services with information of value to his customers. You know what Mr. O'Mally said about what the expensing provisions in the President's plan mean for him: jobs. For Mr. O'Mally, and thousands of new and small businesses like his, the expensing provisions translate directly into additional available capital—the very life blood of a small business. For Mr. O'Mally the provision would mean up to an additional \$5,000 that he will use, in his own words, "to pay people."

For Mr. O'Mally what the expensing provisions also mean is a change in how quickly he can expand and create more new jobs. The expensing provisions will give him more capital to invest in the equipment he will need a year from now to help his business grow and expand into new areas and go from employing 4 to 15 people.

The speed with which Mr. O'Mally will be able to create jobs is also helped by the Research and Experimentation tax credit provisions. His business, like hundreds of other small high technology businesses across Connecticut, has to invest heavily in research and development to continue to keep ahead.

For Mr. O'Mally the R&D provision means something very simple: he will be able to accelerate the timeline for his R&D because the credit will allow him to free up more funds to develop new ways of presenting information to his clients—of packaging his product in ways to reach new markets and employ more people.

Nick Perna, a local economist and the vice president of one of Connecticut's largest banks said the plan will have a very positive effect on helping Connecticut's depressed economy recover and will help small businesses start to grow again. Over 40 percent of small businesses and subchapter S corporation owners will either be eligible for a tax cut through increased expensing, targeted capital gains tax cuts, or the extension of the 25 percent health insurance deduction for the self-employed. He saw the expensing provisions as a "major change for the better." He voiced confidence that the expensing, capital gains reductions and research and experimentation provisions would make a real difference for small business. They would create real incentives for small businesses to invest and help generate the capital to do

it. For our unemployed this is good news because as businesses expand and invest they create jobs.

It's not only the investment incentives that Mr. Perna and Mr. O'Mally feel make this bill good for small business. It's also the fact that interest rates will remain low because of the real cuts in the deficit that this bill makes. For Mr. O'Mally that means the money he has to borrow to get his business running will cost less.

To Mr. Perna, these low interest rates translate into higher values for real estate—including the commercial property owned by businesses. What that meant to him was simple: his bank will be able to make more loans for greater amounts to help meet the credit needs of business. That translates into more jobs now.

In addition, the National Federation of Independent Business [NFIB] gave testimony before the House Ways and Means Committee on March 16 of this year that underscored the importance of the key provisions of the plan. Testifying on the need for deficit reduction, the NFIB vice president stated,

Our members feel that there is very little the government can do right now to bring us out of the recession in the short-term and would focus on the deficit rather than cutting taxes.

In fact, the Clinton plan is the largest deficit reduction plan in history—\$500 billion in deficit reduction over 5 years.

The NFIB also testified that:

In the area of investment incentives, let me simply say that we're consistent. Simplicity is the key for the small business community. We prefer above all other things an increase in direct expensing.

Madam Speaker, if we pass this plan, the 1998 deficit will be \$160 billion less than if we take no action. According to noted economists Robert Solow and James Tobin,

That would make room, in a fully employed economy, for a 40 percent increase in spending on capital equipment, financed by private saving that would otherwise be absorbed by Government securities. Small businesses are ready to start investing again in new jobs. Let us give them the boost they need to succeed.

We cannot turn this economy around without a serious attempt at deficit reduction. And we cannot create new jobs without the help of the thousands of small businesses that provide the innovation, enterprise and growth that have historically driven our economy. This bill cuts the deficit. It gives small businesses the help they need to grow and succeed. And it will give our economy renewed strength.

And now, I want to recognize some of my colleagues who have joined me here tonight to talk about how this bill will affect the men and women who run the businesses in their districts.

□ 2020

Madam Speaker, I yield to the gentleman from Michigan [Mr. BONIOR], the Majority Whip.

Mr. BONIOR. Madam Speaker, I thank my colleague for yielding to me. I would like to congratulate the gentlewoman for taking the time this evening to talk about this plan.

I would like to commend my colleague, Congresswoman DELAURO for organizing this special order.

It is time for our country to put its economic house in order.

That is what the President's economic plan does.

It provides for the largest deficit reduction in American history; \$500 billion in deficit reduction.

Over 200 specific spending cuts.

And it finally asks the wealthy of this country to pay their fair share. 70 percent of the new revenue raised in this bill will come from those making over \$200,000 a year.

This bill is a good deal for middle class families. And a good deal for America.

No one making less than \$180,000 a year will see any increase in their income tax. Only the wealthiest 1 percent of Americans will pay additional income tax.

Middle class Americans may be asked to pay additional energy tax of \$10 to \$20 a month. But for middle class families this will be offset by impact of lower interest rates.

Lower interest on home mortgages, lower interest on car loans, lower interest on student loans, lower interest on credit cards. These will represent real savings in the pockets of middle income families. As much as \$175 a month, if you refinance your home.

This package of deficit reduction represents real dollars back into the pockets of middle class families.

Why do we see so much opposition from my colleagues on the other side of the aisle?

I cannot help but think it is because they are trying to protect their old friends, the wealthiest Americans. The same people who got all the breaks in the 1980s are still trying to skip out on paying the bill now.

The same Republican Party who year after year for 12 long years gave us record breaking deficits has tried to undermine this real attempt at deficit reduction.

They have tried to delay, derail, and distort this package. But what is their alternative?

More of the same. Let the wealthy off the hook, and make senior citizens pay. And in the end, they do nothing to stop the deficit.

The President's plan is the only game in town.

It is a tough package. It is not easy to make all these cuts. It is not easy to go to the wealthy and powerful people in this country and say—it is time to

do your part. But that is what President Clinton has done.

And he deserves our support.

The President's plan has already had positive economic results.

Interest rates have remained low.

Mortgage rates are at a record low.

The bond market has rallied.

And most important of all—new jobs have been created.

In the first 5 months of the Clinton administration 740,000 new jobs. That's nearly 150,000 jobs a month. Seven times the rate of job creation during the Bush administration.

When the program is fully implemented, according to independent economic projections, the Clinton economic plan will create 8 million new jobs. Eight million new jobs in 4 years.

That is what this is really all about—when all is said and done.

Jobs.

Getting our economy moving.

Encouraging investment.

The President's plan provides important investment incentives for small business, for empowerment zones, for job training, for education, and for job creation.

It is time for the nay sayers and the cynics to step aside. This is a positive plan for America, for America's working families, and for jobs.

It is not just tough choices—it is a promising future.

Ms. DELAURO. Madam Speaker, I want to thank the majority whip for entering into this special order tonight and taking time to talk about his thoughts on this.

Madam Speaker, I yield to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Madam Speaker, I want to thank the gentlewoman from Connecticut for yielding me this time and taking out this special order so that we can discuss the President's program for reviving the economy of this country that he inherited that was in a state of doldrums with people losing their jobs and economic investment on the incline.

As the President quite correctly pointed out when he came to this Chamber in the Joint Session, he inherited an economy that was in very serious trouble, an economy that over the last 10 years was causing average American families to lose their earning power, even though they were working harder every day and every year, an economy that was not reinvesting in itself, that as the gentlewoman pointed out, by the time President Clinton came into office was investing less than 3 percent, and we knew that was incapable of generating new jobs in this economy, an economy that was seeing the disparities between rich and poor grow ever wider so that among the developed nations of the world, we have one of the greatest disparities between rich and poor that exists in the world today, and recognizing that

something had to be done, but it could not be done without some sacrifice. It could not be done without some discipline and it could not be done without keeping our eye on the future.

This President was bold enough and courageous enough to come into this Chamber, to look us in the eye and to look the American people in the eye and say that if we had the courage of our convictions, if we would do what we told the American people for the last 12 years we wanted to do, and that is to get government out of the way so that small businesses and entrepreneurs can thrive, that we would have the possibility of reviving this economy.

Now, for 12 years Presidents of this country have been telling this country that they would put an economy in place to allow that to happen, but that did not happen because, as we now so clearly can see, the largest tax decrease in history was given to the wealthy on the theory that they would invest in America, in its economy, in its people, in its capabilities, and that would revive the economy.

□ 2030

They did not do that. They speculated, they leveraged, they absorbed countries, they merged companies, they leveraged buyouts, they ruined savings and loans, and they left us a huge, huge deficit. He said that in fact, if we provided that tax cut, the deficit would get smaller, and, of course, as we know, it did not. We tripled the debt of this country in those 12 years.

So, President Clinton has decided to take another path. He has decided to ask this country to make the kinds of decisions, along with this Congress, to get us out of the way of the growth of this country by proposing the largest deficit decrease in the history of this country, by getting the Government out of those credit markets for day-to-day borrowing, for borrowing that is far beyond our means to pay for and make room for American businesses, make room for American entrepreneurs, make room for America's families.

Since he has put that proposal on the floor of this Congress, and since the markets and the American people have seen that he is serious, we have started to see a revival of this economy. As was pointed out by the two previous speakers, we have started to see job creation on a monthly basis, far in excess of what we saw over the last 4 years. We are starting to see people return to work. We are starting to see small business formation again. We are starting to see people being rehired.

Why? Because of what the President announced in this Chamber, and what this House passed, and what the Senate has passed. People are understanding that the cost of doing business and living in America is starting to come

down. As interest rates lower, people are able to refinance their debt, to refinance their houses.

Mind you, we all lived beyond our means in the 1980's, but now we have a chance to make that debt manageable and to make some room for the needs of today. Corporations are able to refinance the debt of 12, 13, 14, 18 percent, that they incurred on their debt in the 1980's. Individuals are able to refinance their credit card debt. Home owners are able to refinance their homes. First-time home buyers have a possibility of entering a market, a possibility for the first time in many years, when the discussions in the Congress and in the country and in our communities was that our children would not be eligible to own their homes because of the costs of money, the interest rates, and yet we now see the first-time home buyers are coming back to the American economy, which means that a carpenter, an architect, an engineer, a cement mason, and a laborer all get a chance to go back to work. We are seeing new business formation. We are seeing venture capital coming to the forefront again because those ideas that were not feasible when the prime interest rate was 10 and 11 and 12 percent today are feasible. It is 5 and 6 percent.

So, Madam Speaker, what we are seeing is, by removing the Government from those credit markets by this

How has the President done this? He has done this with a series of budget cuts, specific, enumerated budget cuts, some 250 billion dollars' worth of budget cuts. He ventured into the area where no Congress had the courage to go, no President had the courage to go, and that is to entitlements, understanding that this was a matter of national sacrifice and commitment for the future of this country.

So, he put in those budget cuts, and then he also recognized that we were going to have to raise revenues either through an energy tax or some increases on the wealthiest people in this country. It is not that he is taxing the wealthiest people in this country because he does not like them, but the simple fact is, the simple fact is, that for the middle class in this country wages went down 17 percent. But, if you were in the top 30 percent of income earners, real wages have gone up by 9 percent. So, we are starting to see that the wealthiest 1 percent of people in this country have garnered more wealth and more assets than any time in our history. We think they should contribute to this national effort to revive America's economy.

Finally, Madam Speaker, let me say this, that this is really very short-term medicine for the long-term growth of this country. We talk about sacrifice, and we talk about budget cuts. But, if we are willing to make these decisions in the next 3 weeks and present to this

President a bill that he can sign, we will, in fact, see that not only the actions that we have seen take place between the first of the year and now on the anticipation of this bill being signed, but, once it is signed into law, we will see the confidence of people, we will see a road map that will tell them that the Government is going to reduce its participation in the credit markets, and then they can look forward over a long period of time to reduced interest rates, and that will cause additional economic activity.

So, Madam Speaker, the question is really this:

Should we now make some tough, short-term decisions with respect to our immediate future so that our children, and our families and our businesses can prosper over the long term?

We should. We cannot continue to live beyond our means, either as families, or as a government, or as businesses.

This President, my colleagues, has given us an opportunity to get the books back into balance, to stop that overdependence on foreign capital, foreign investment,

I can appreciate that the Republicans do not like this. They must feel terrible envy for this President because this is what their President kept saying they were going to do. They never quite did it. They did not have the courage to come in here and to level with the American people, to rally the American people, to recognize, just as we see people filling sandbags on the Mississippi River day in and day out, 24 hours a day, people who do not live on that river, but they are willing to sacrifice their current job, their vacation, their time away from school, to help their neighbor, to help their economy, to help this country.

My colleagues, we need to put a few sandbags in place. This President has given us the opportunity. We should do it now and get control of our economic future.

Madam Speaker, I want to thank my colleague, the gentlewoman from Connecticut [Ms. DELAURO] for making this time available, and I again would beseech the Members of this Congress on both sides of the aisle to support this President's plan to revive the American economy.

Ms. DELAURO. Madam Speaker, I want to thank the gentleman from California [Mr. MILLER] for an eloquent statement and for, particularly, highlighting the whole issue of deficit reduction, bringing interest rates down and the family's ability to be able to refinance a home, what that will mean in terms of their future economy.

I would now like to yield time to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Madam Speaker, I would like to thank my distinguished colleague, effective colleague, most

highly regarded colleague, the gentlewoman from Connecticut [Ms. DELAURO] for bringing us together to have a conversation with the American people on what is a watershed moment both for our Nation and for this, the 103d Congress, as we approach the approval of the economic package, the budget package, that the President of the United States has moved forward and has presented to the Representatives of Congress that will speak on behalf of those that they are privileged to represent. We not only have the opportunity to reduce our Federal deficit by record levels, a half a trillion dollars, the largest deficit reduction plan in the history of our Nation, but we have the opportunity to invest in the engine that drives our economy, namely small businesses.

I am the daughter of a small businessman. My father is 89 years old. He retired at 82, and he was a watch maker and a jeweler all of his life. I grew up in that business. I was educated as a result of the benefits of that business. I saw other people in our community employed in that business.

Unfortunately, Madam Speaker, in the last decade the Federal Government could have done a much better job in supporting this critical segment of our economy where 85 percent of all new jobs are created. Indeed, during the last administration only 1 million private sector jobs were created. One of the chief reasons, in my view, behind the small number was the lack of attention to small business and the lack of support for growth incentives.

□ 2040

We have the opportunity now to change this. I am privileged to represent California's 14th Congressional District, the home of Silicon Valley, where fledgling startup companies are the backbone of our local economy. These companies are responsible for making the United States unbeatable in cutting edge high technology, including electronics, computers, and biotechnology. And many of these small companies have grown into some of the larger and more successful companies of our Nation. Hewlett-Packard, Apple, and Genentech are just a few that come to mind. These companies employ thousands of Americans and generate billions, with a "B" of dollars of revenue each year.

But the other myriad small businesses in Silicon Valley employ thousands and contain within them the potential to grow and increase our Nation's competitiveness. Indeed, Silicon Valley has been an incubator of small business ventures. But we are in tough economic times, and the companies in my district need the kind of incentives incorporated in the plan that President Clinton has presented to the Congress. They need this not just to succeed, but they need it to survive.

This should concern everyone, because it is the brilliant minds behind these small companies that create the ideas and products that revolutionize our society and boost our international competitiveness.

Key to the success of entrepreneurship and small business is its ability to attract capital and obtain credit and loans. President Clinton's plan will increase a company's ability to expense capital investments. It includes a targeted capital gains tax, which will produce the outcome we are looking for, job creation. It will also produce something for investors in small businesses, and it will result in lower borrowing costs.

The President's plan also includes provisions that are critical for small businesses, including a retroactive extension of the 25 percent deduction for health insurance premiums of the self-employed; a retroactive extension of the ability of State and local governments to issue tax-exempt bonds for small business. And I would like to add here that I came from local government. I have regard for what they try to do, and we need to be better partners with them. This part of the President's plan speaks to that.

Also a retroactive extension of targeted jobs tax credit, and relief from the alternative minimum tax for capital investments.

Where did we come up with these ideas? These ideas were hammered out and brought forward to the Congress as a result of a young person who went across this country with Senator GORE campaigning. And people across this Nation, especially small business owners, said "Governor Clinton, this is what we need." It is now contained in the plan that the President has presented to us.

These provisions are not only important to the high tech industry, they are important for all small businesses. In my district, like Robert Cevasco, who runs a nursery out on my coast side, Whole Foods Market that is next door to my district office in Palo Alto, CA, and Spiral's, a gift center. And contrary to opponents' arguments, the higher tax rate embodied in the Clinton reconciliation bill will not adversely affect small business. Ninety-six percent of small businesses are exempt from new taxes. I want to repeat that, because there are so many people that are reading and being misled by so much of the rhetoric. This

As we attempt to get our economic base in order, it is most critical to reduce our deficit. But we also have the opportunity to recommit ourselves to the creation of jobs and enterprise. President's Clinton's economic plan does this.

I urge my colleagues in both Houses to take a second look, if that is in fact what they need to, at the attacks coming from those opposing the President's

plan. In my view, this plan is a hands-down winner, not only for the people of my district, the small businesses there, the high technology companies, those companies that are still waiting to be born, but also for all of America and for those that are looking for prosperity and a return to a time when Main Street is really doing well.

Ms. DELAURO. Madam Speaker, I would like to thank the gentlewoman from California both for her personal experience as a daughter of a small businessman and her experience representing the Silicon Valley and in what the value of the research and development tax credit might be.

I would now like to recognize the gentlewoman from New York [Mrs. LOWEY]. If my colleague does not mind, I would like to really begin by just asking her a question. We have had the benefit of a Republican-crafted budget plan. With your perusal of it and review of it, have you found in the Republican plan any of the House-passed measures that would help to assist small businesses, expand small businesses, or help to create jobs?

Mrs. LOWEY. Absolutely not. And that is why I am so pleased that you called this special order tonight.

I have had the opportunity to work with my outstanding, effective colleague, the gentlewoman from Connecticut [Ms. DELAURO]. And whether we are working on the Estuary Restoration Act or programs to help small business, the bottom line has been jobs. And I think it is important that you called this special order tonight to set the record straight.

We are working to set the record straight tonight, because I think the American people have to know, and we have to be here to refute some of the specious arguments being made about how the President's economic plan will impact small business.

Small businesses are hurting. Whether I am in White Plains, or New Rochelle, in Yonkers, in Rego Park, in

They come into our office and they talk about the mortgages, they talk about the lack of customers. We have got to get things moving. And that is why this special order tonight is so very important.

Now, what they tell me about is they just cannot get credit. They cannot afford to make needed investments in new technology. They cannot attract outside capital. They need to expand and hire new workers.

As I travel through my district, the evidence of Government neglect for the problems of small business is very clear. I see family stores closing.

Just recently I was in a part of my district where there were two or three stores that were vibrant a couple of years ago. They are all closing, laying off their employees, and falling into bankruptcies. These businesses need help, and they need it now. They can-

not deal with the rhetoric that we hear from some of my colleagues. They are tired of talk. And that is why the public is so disillusioned. It is time for action. We have to provide real help so they can raise the level of their sales, so they can hire workers, so they can help other families pay mortgages and get their youngsters the best education they can.

We know that the national debt has been drying up the credit which would otherwise have been available for small business expansion and investment. Without this capital, small business investment has withered, and the collapse of many small companies has had a ripple effect throughout the area. Because if one store closes, then the luncheonette that served those employees closes, and then when they want to go out and buy some goods, they do not have the resources to do it.

I was in a local fish store just this weekend and one of the customers said to me, "You shop, too?" They forget that we have to feed a family. And the owner of the fish store said to me he could not replace a piece of equipment that is frying fish because his sales of fish have gone down.

So, you see, it is not just the fish store that is not doing well, but then the manufacturer of the equipment that the owner of the fish store has to fry the fish in. And you see this multiplier effect everywhere.

The plan we have before us addresses many of the problems of small businesses. And contrary to what some have been saying, it will begin to help small business in our communities around our Nation.

Now, finally we have a plan that urgently takes on the problems affecting our economy, and small business in particular. The plan will lay the necessary groundwork for revitalizing hard hit areas and spurring economic growth and job creation.

□ 2050

First and foremost, the plan contains the largest deficit reduction in history. This measure will eliminate \$500 billion debt that would otherwise crowd out needed investments in our economy. Without such a drain on the economy, small business will be able to borrow again, allowing for expansion and job creation.

The Clinton plan also helps small businesses by doubling the amount that can be expensed to \$20,000. This is a move that has been championed by small business advocacy groups as a way of stimulating new investments in new, more efficient machinery, even for that small business in the fish store I was talking about before. We must change the status quo, when small businesses cannot afford to modernize and upgrade equipment. Failure to do so will only weaken our economy further.

The plan also contains a carefully targeted capital gains tax cut for new investments in small business. This will help entrepreneurs bring in outside capital and enhance the ability of small business men and women to invest in their companies' growth, creating hundreds of thousands of jobs.

Just recently, I talked to a group of women who were trying to get the capital to invest in their own businesses. We know, and in my district, and it is in other Members' districts, companies like IBM are laying off workers, NYNEX, other large companies. One thing a woman has learned in raising her children and raising a family, they learned how to be the boss. So we are seeing a lot of women who are being laid off from large companies starting their own businesses, because those are the skills that they have learned. But what they really need is the ability to get credit so they can make that investment so they can help that small business which is now just an idea in their mind, help that small business come alive so that they can hire workers, so that they can expand and create real investments.

The plan also contains a carefully targeted capital gains tax cut for new investments.

Other provisions that come to the aid of small business include retroactive extension of the 25-percent deduction for health insurance premiums of the self-employed and retroactive extension of the ability of State and local governments to issue tax-exempt bonds for small businesses.

We know how important health care insurance is for all small businesses so that, in particular, is an important provision. Another small meeting I had in my district, we heard from people over and over again about this credit crunch, the inability to make needed investment and to attract outside capital.

Before another small business permanently closes its doors and files for Chapter 11, we can and must take action. We can tell the millions of American families that own their own businesses that we understand, and—more importantly—that we are taking action.

So many of our communities are experiencing a co-called jobless economic recovery. We owe it to our constituents who are struggling to find work, to help small business—our single greatest source of job creation.

What is the alternative?

The alternative is to fall prey to partisan bickering and rhetoric. I think we have had enough of that. That is why people are so disillusioned. They are tired of hearing us talk. They are tired of seeing all the gridlock in this body.

We can go ahead and talk, and we can go ahead and debate. And we are getting our salaries. But it is these small

business people that cannot wait any longer. They are the ones that are going to suffer.

I want to tell you again how important it is that you called this special order, because it is important that the American people understand that what this plan will do is take action, end the deadlock, end the rhetoric, help all those men and women who want to establish their small businesses so they can take care of their families. Thank you again. It is a pleasure to be here with you this evening.

Ms. DELAURO. Madam Speaker, I want to thank my colleague from New York for the points that she raised.

I yield to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Madam Speaker, I thank the gentlewoman from Connecticut [Ms. DELAURO] for her leadership in calling this special order tonight. Every chance I get, I want to thank the people of the Third Congressional District of Connecticut, especially in the New Haven area, for sending ROSA DELAURO to the Congress of the United States.

So respected is she in the House that tonight on her special order she will be having the majority leader of the House participate in the debate. For that reason, I will make my remarks brief.

Madam Speaker, I think what people out there who have small businesses or who want to start small businesses should know is that the Clinton administration and the Democrats in the House of Representatives are their friends and are on their side. I myself think that anyone who is starting a small business is about as optimistic and American as they come. I cannot think of anything, short of getting married, that calls for more optimism than starting a new business. That is why I am particularly pleased that Congresswoman DELAURO focused her special order tonight on small business, because small business and promoting small business is the center of the Clinton economic plan.

My colleagues have referenced some of the aspects of the President's economic plan. I will just briefly mention that the plan is pro small business in that it more than doubles the small business expensing incentives, new small business capital gains exclusion. It has reducing the cost of health insurance premiums for self-employed, extending a 25 percent deduction for health insurance premiums.

The plan includes tax-exempt financing for small business, small issue manufacturing and farmers bonds, superexpensing and empowerment zones.

Madam Speaker, this is very important. Hopefully, our conferees will keep the empowerment zones in the President's reconciliation package.

I also want to mention the extension of the research and experimentation

tax credit, important to economic growth and technological development.

The Clinton plan includes several provisions to create and grow small businesses, because it recognizes small business as the creator of jobs and the creator of capital for our country.

President Clinton would truly help small businesses who have been neglected these past years, help these businesses expand, hire more workers. President Clinton knows that small businesses are the engine of growth.

I would like to talk about some examples in my community of San Francisco. I will submit it for the RECORD.

I will say, though, Congresswoman DELAURO, that the Clinton plan over 4 years will produce 2 million more jobs for California, 10 times the number of jobs than in the last 4 years.

I hope that small businesses will take part in the Clinton plan, will take time to read it, because there is much in it, if you are, as I say, a small business person or want to open a small business. Help is at hand. Encourage your Representative and your Senator in Congress to support the Clinton reconciliation package which will reduce the deficit, therefore, reduce the cost of capital and help you create jobs.

With that, I want to again commend the gentlewoman from Connecticut for her leadership on this issue.

In addition to calling this special order, she has been a strong whip and advocate for this reconciliation plan in the Congress.

Ms. DELAURO. Madam Speaker, I want to thank my colleague from California for her comments. What is critical is how jobs are going to be created through this plan.

It now gives me great pleasure to yield to the majority leader of the House of Representatives, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Madam Speaker, I thank the gentlewoman for yielding to me. I especially thank her for calling this special order this evening so that many of us can express our thoughts about this very important debate that is already beginning.

It has, frankly, been going on for the last 3 months in our country or longer, about the Clinton economic program. I appreciate the time that she has taken, because it gives some of us a chance to expand further and with greater intensity on some of the important issues that are involved in this program.

I have been concerned over the last days because the program has been discussed in terms of the spending cuts, which are important, or the revenue increases, which are also part of the plan. A lot of talk about deficit reduction and the need for deficit reduction, all of those discussions are important. But what has been lacking is what the program is for.

Deficit reduction in and of itself is interesting.

□ 2100

It is, to some, positive. It, however, is a means to an end. It is not the end.

I am not interested in this program because we can say we reduced the deficit. So what? People do not care. My constituents do not care. Your constituents do not care. What they care about, what they are worried about, what they are rightly concerned about, is jobs and standard of living. That is what they care about. That is the great concern in the country.

That is the reason President Clinton put this program out there, so we could do it, discuss it, and then do it. The reason for it is to get all the good economic impacts that come from deficit reduction as a means to creating good jobs, as a means to creating good jobs.

Let me cite one fact that has already happened from the Clinton economic program, without it even being passed yet. That is that interest rates have gone down from the expectation that we would reduce the deficit. Listen to this fact. Twenty-six billion dollars have been put into the hands, this year, of the American people because of lowered interest rates, because of the expectation that this plan would pass. People in my area and in all the country have renegotiated their home mortgages to get the effect of the lower interest rate, which has yielded lower monthly payments for them, which they are able to then save or put into the education of their children or into health care or into buying a new car or whatever it is they want to do.

Some people have available \$100 a month now that they did not have before President Clinton was elected, because of the effect of the program.

Let us be more specific about the issue of jobs. In the last few months there have been more jobs created. Since January there have been as many jobs created as were created in the whole Presidency of George Bush; the whole Presidency, the whole 4 years, we have created as many jobs since January, about 1 million jobs.

The monthly average, let us just look at the monthly average of jobs created during the time President Clinton has been President. We have had 148,000 jobs, new jobs, net new jobs, created a month. The average when George Bush was President was 21,000 jobs a month. We are beating that by 120,000 jobs a month. The program has not even passed. Imagine what can happen if the program were to be passed, which we want it to be.

The President's goal is to create 8 million new jobs over the next 4 years. Without the program even being passed we have already reached that goal in the first 6 months. We have had 1 million jobs created in this country. Again, it is primarily because interest rates are down because of the expectation that the program would be passed. That is real progress. That is why we

are doing the program. That is why we are having the debate. That is why we are having the discussion. That is why we are having the vote. We want jobs created, good jobs, good paying jobs.

We want to put money in the hands of the American people. We want to help this economy get up off its feet. It has been on the ground for 4 years. It has been stuck in neutral, moving backwards. We want to get it to go forward. This program will do it.

Some people say, It will hurt small business. I have heard that criticism. I do not understand it. Surely the people that are saying this program would hurt small business have not read the program, and do not understand it.

Only 4 percent of small business people would have their taxes increased with this program. Guess what their average annual income is? It is \$560,000 a year; \$560,000 a year. We are asking them to pay a little more revenue, so their fair share is paid to help the country operate. I do not think that is too much to ask. These are the folks that had the largest tax decrease in the last 12 years. We are asking them to pay their fair share.

Let me go further. Ninety percent of small businesses will have a tax cut from this program because of capital gains treatment, because of investment expensing that is allowed under this program, and a number of other features that directly help small business.

So a small fraction that, frankly, can afford it has a little bit more to pay, and 90 percent have a tax cut. How does that hurt small business? I think it helps small business.

The last point, I have heard a lot about taxes and not enough about spending cuts.

1993 BUDGET RECONCILIATION ACT: SMALL BUSINESS CONCERNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. GEPHARDT] is recognized for 60 minutes.

Mr. GEPHARDT. Madam Speaker, I will continue on here for a moment, and recognize some other speakers who are here.

Madam Speaker, when our time ran out, I was talking about the complaints that are made about this Clinton economic program. One is that there are no spending cuts. I hear people say to me at home, "There are no spending cuts," or they will say, "I do not think Congress will cut spending." I do not understand—I guess I do not understand why people would say that. Maybe they think that the cuts are not real, or that we have had trouble doing this in the past.

Let me just say a couple of things. One, in 1990, I was here for the budget summit. We cut a lot of spending. People say, "Why didn't the deficit go down?" There are good reasons the def-

icit did not go down. We have been in a 3-year recession. People were not paying taxes. If you are out of work, you cannot pay taxes. That is why the deficit did not go down.

We had the S&L mess. That is over with. We are coming out of the recession. Things are going to get better. We need to do more, and this program has spending cuts.

Half the cut in the deficit is spending cuts. They are tough spending cuts. For the first time in my memory the Congress will not spend one red cent next year more than we spend this year in all the programs we have discretion over: defense programs, domestic programs. If we lump them all together, we are not going to spend one penny more than we spent last year. This year we already had tough fights over what would be spent, because we were under tough caps.

The third year we are going to spend the same amount we are going to spend this year. The fourth year we are going to spend the same amount we spent this year. The fifth year we are going to spend the same amount we spent this year, not one cent more.

Never in the history of the country have we had an absolute rock-hard blizzard freeze on spending for 5 years. That is what this budget does. That is the spending cut that is in this budget: \$250 billion in spending cuts over 5 years, cuts in Medicare, cuts in programs like veterans and others that are tough to do. You bet this has cuts.

Finally, people talk to me about taxes. I hate taxes. I wish we did not have to have any tax, but everybody understands that what we want to do has to be paid for; no more borrow and spend. Yes, let us cut spending as much as we possibly, logically, sensibly can, but let us get the books in order as well. Let us ask everybody to do their part.

Seventy percent of the taxes raised in the Clinton economic program come from people who earn \$200,000 a year or above. We are simply asking that those who have done the best pay their fair share. I don't have any problem with it. I congratulate them. I am happy that they are able to make big money.

□ 2110

I hope they make much more money. But I want them to pay their fair share. That is all.

The middle class has done their part. The poor have done their part. Now we are asking the people at the top to do their part.

Second, people earning above \$35,000 a year do have a responsibility in this program. The Clinton program asks them for \$50 a year. It is about \$1 a week. I do not think that is too much to ask of anybody in our country, me included, everybody who is a Member of this body included to do to make this problem go away.

Let me end with what again it is about. It is not about deficit reduction; it is not about some economic theory; it is not about some lecture that we could give in a classroom. It is about jobs and standard of living. That is the only reason to do this. We have to do it. It is our responsibility to do it. It is our mission to do it.

We have got to get this country moving again. We have got to get this economy thriving again. We have got to get people back to work in good jobs.

It has already begun, 148,000 jobs a month as opposed to 21,000 jobs a month for the last 4 years. We have already turned the corner. The future is going to be bright. We can make it happen, and with the votes of enough Members here in about 2 or 3 weeks we are going to pass this Clinton economic program and put this country back on the right economic track.

Madam Speaker, I am happy to yield to my friend, the gentlewoman from Utah [Ms. SHEPHERD].

Ms. SHEPHERD. Madam Speaker, I thank the gentleman for yielding. I am delighted to be here tonight. I want to take this opportunity to thank Ms. DELAURO for arranging this special order and giving us the opportunity to talk to the people of America about what is happening on the 1993 Budget Reconciliation Act.

I have been particularly distressed because of the allegations that have been alleged by the minority party that this act is bad for small business. And I welcome the chance to lay these allegations to rest.

Small business is an issue which is dear to my heart. For 17 years my husband, like his father before him, ran a small business. It struggled, and it grew, and it prospered, and it was a terrific small business.

It was a struggle for me, but for 12 years I ran a small business. We started small, and we grew, and we prospered. And when I sold it, it was a very successful small publishing company that I was enormously proud of. And that experience changed my understanding of how the world works in a very fundamental way.

I believe I understand business. I believe I understand what small business people care about. And I know that this bill is good for America's small business.

It is time to tell the truth, and the truth is that this bill will absolutely help small businesses. First, both the House and Senate bills more than doubled the investment that small businesses can expense from \$10,000 a year to \$20,000. I would have been very grateful to have that additional deduction in my business, and virtually all small businesses will benefit from this policy.

The Small Business Legislative Council estimates that no fewer than 11 million small businesses will take

this depreciation because they are taking it now, and they will get the additional depreciation. Even the National Federation of Independent Businesses has indicated its support for this policy.

Second, capital gains taxes for patent investment in new, high-tech businesses is going to be reduced by 50 percent. These are the very businesses which in Utah alone produce \$5 billion worth of income alone. If we want to support that kind of thoughtful entrepreneurship, those kinds of businesses that will take us into the 21st century, software businesses, biotech businesses, then we can feel comfortable supporting this deficit-reduction plan.

Third, this plan retroactively extends the 25-percent deduction for health insurance premiums for the unemployed. We know as we go to our town meetings from this body that business is very concerned about the premiums it is paying on skyrocketing health care costs. We also know we have to reform health care to fix that, and we will do that. But in the interim, and until comprehensive health care reform is passed, this might be the only opportunity we have to help small businesses meet this challenge.

And how will these businesses affect the real world? Let us set the record straight. The Department of Treasury statistics show that 96 percent of small businesses will be unaffected, that is correct, absolutely unaffected by the higher income tax bracket in this bill. The remaining 4 percent hardly qualify as what we think of as mom and pop businesses. The average affected individual in this affected 4 percent earns an average annual income of \$560,000.

As the Washington Post put it recently, the affected businesses include such affluent professionals as doctors, lawyers and accountants. If they were exempt from the personal rate increase they would have a lower income tax rate than corporate executives and other professionals who receive their income in the form of salaries. Now I ask, is that fair? After a decade of being the ones who benefited from the tax breaks, is it fair that that group of people is not asked to pay their fair share at this point in time? Of course it is not fair. We all have to pay our fair share.

Finally, the so-called S corporations have been the target of particularly misleading political posturing in recent days. Contrary to what has been said, there are no special higher rates for subchapter S corporations, partnerships or sole proprietorships. Under the President's plan, income from these small businesses is treated no differently than salaries, interest or other income. S corporations can continue to deduct both the wages they pay to employees and the new investments that they make to expand. And what is more, a small business owner finding

himself subject to the higher marginal rate can become, with the stroke of a pen, a C corporation and be totally unaffected by this tax increase, unless the net profit exceeds \$10 million.

Here is the bottom line:

First, 90 percent of all small businesses will receive a tax cut from this plan;

Second, according to studies by the Joint Economic Committee and the National Venture Capital Association, investments resulting from the \$500 billion deficit-reduction plan will create 200,000 new jobs in small business.

Equally impressive, by finally making deep cuts in Federal spending to bring down the suffocating Federal deficit, and by keeping interest rates at record lows so that individuals and businesses can refinance their loans, this plan will create 8 million jobs nationwide over the next 4 years and lead to the kind of growth that Representative GEPHARDT has been talking about.

Congress is charting new territory, and we are making the tough choices to control Federal spending and reduce the deficit. And defenders of gridlock on Capitol Hill will stop literally at nothing to undo these changes.

Our Nation's small business owners want us to get the Nation's fiscal house in order. They do not want us to be naysayers. They do not want us to do nothing.

□ 2120

They want us to get the job done. The Wall Street Journal headline that I hold before you really says it best, "Finally The Truth Is Out," and it states, "Foes of Clinton's tax proposal mislead public and firms on small-business aspects." I say that this is not a time to mislead. This is a time to lead. We are doing it. We are helping small business.

This is a good plan, and I encourage my colleagues to vote for it.

I thank the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. I thank the gentlewoman from Utah for her fine statement. It was very refreshing to hear the facts about how small businesses are really affected by this plan as opposed to misperceptions that have been created.

Small businesses, as the gentlewoman knows, have created about 70 percent of the jobs that are being created in America today. The last thing we would ever want to do would be to create a plan that would be injurious in any way. We want it to be supportive of small business, to help small businesses grow and prosper and invest and move in a direction of creating more jobs.

We believe, as you well stated, that this plan does that, does it well, by giving incentives for investment, incentives for depreciation, incentives that will help small-business people grow and prosper.

So I say to the gentlewoman, Well done.

I think it is entirely proper that we get these facts out. I believe we are hoping to do this on many nights this week, tomorrow night, and the next night, and I hope that through the next 3 weeks, through the leadership of the gentlewoman from Connecticut and others who are here, that we will carry this message to the American people through the use of these special orders.

I yield now to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. I thank the gentleman from Missouri for yielding.

Madam Speaker, I just wanted to thank my colleagues for joining me here tonight and the gentleman from Missouri. I think you hit the nail on the head.

What this plan, the recovery plan, is about is jobs. It is the future; it is the hope for people in this Nation. That is what last November was about.

This country elected Bill Clinton, because they felt that he was going to provide change. He has had the courage to put together an economic recovery plan which will provide this Nation with change, and what we need to do here in this body is to show to the American public that we have the courage to step up to the plate, to make the hard choices, in fact, so that we can create jobs and turn this economy around.

I think that we have seen tonight with this information that the engine of growth in this Nation is small business, and this plan provides small business with the opportunity to grow, to expand, and to create jobs to put people back to work again.

We have seen a lot of politicization of the issue in the last several weeks. My view is that the American public is smarter than that. They will see through some of the arguments of the failed past and understand that we have to pass this plan in the next 2 or 3 weeks, that we have to grow the economy and put people back to work again.

I thank the gentleman again for his time this evening and for participating along with myself.

Mr. GEPHARDT. I thank the gentlewoman for the work she did in organizing the group tonight and putting this special order forward.

I would end perhaps with a story from my background and why I think this issue of job creation and standard of living is so important.

I am 52 years old. I grew up in a period right after World War II. I was born in 1941. My dad was a milk-truck driver. My mom was a secretary. Neither of them went through high school.

They worked very hard, and they believed with all their heart that their sons, and I have a brother who is 4 years older, could do better than they had been able to do, could succeed in

this country. Because of their hard work, both of us were able to finish college and graduate school, and we had opportunities unlimited. We grew up in a time in the country when it was right to believe that when your parents told you that if you worked hard you could succeed and do well that that could happen, because the evidence was all around us of people doing that and succeeding.

Success is contagious. When you see others able to do it, then you think you can do it.

What has happened in the last really 15 years in our country is that that growing standard of living, that growing economic pie has stopped growing. As I said a moment ago, in the last 4 years, we created just a million jobs. We need a million jobs every 6 months to keep up with the new people coming into the work force.

So people who were young, who are trying to get ahead, who are working and looking and seeing what was happening around them, like I did in the 1950's and 1960's, were seeing a country that was not succeeding, more importantly people who were not succeeding, and they gave up. They got cynical. They become downcast about their future and the future of the country.

We have got to turn that around. That is what this is about: Hope, opportunity, the feeling that you can succeed no matter who you are, no matter where you start, no matter what your background, no matter how poor you are when you start; you believe with all your heart and all your mind that if you work hard you can succeed. That is America. That is what this is all about, and that is what we are fighting for. That is what President Clinton is fighting for, and I so hope that in the next weeks we can get this information to the American people and we can build a climate of confidence that when this program passes that this country is going to take off, that the economy is going to begin to succeed, that jobs will be created, that the standard of living will go up, and we will create that climate of confidence that I remember as a young person in this great country.

Ms. DELAURO. I know you said you wanted to close. But may I just add one word here?

Mr. GEPHARDT. Surely.

Ms. DELAURO. Because we share a similar experience.

My dad came here as an immigrant and could only dare to dream to see his daughter someday sit in the House of Representatives.

What is the most tragic part of what is happening today and over the last 12 to 13 years in this country is that that American dream is like sand through people's hands. For the first time in this Nation, parents do not believe that their children are going to have the same opportunities that they did, that

they are not going to be able to have those jobs, they are not going to be able to compete.

I view it as my obligation, and I know that you view it as your obligation as representing your constituents in the same way that I do mine, and the others who have participated with us tonight, that we owe this to the people that we represent to turn this economy around, to provide people with the opportunity for jobs and hope so that they can believe once more that this Nation is going to provide their children with the opportunity for success so that they, too, can do what you are doing, what I am doing, and doing what so many others are doing around this Nation.

Thank you. Let us do it.

Mr. GEPHARDT. We are going to do it. I thank the gentlewoman very much.

THE NORTH AMERICAN FREE-TRADE AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

Mr. DREIER. Madam Speaker, I rise to first congratulate my colleagues, the gentleman from Missouri [Mr. GEPHARDT], the gentlewoman from Connecticut [Ms. DELAURO], and the others who have participated in this special order. I have to say to them that I strongly agree with much of what was said here about our desire to create jobs, opportunity for Americans, expand this economy.

My State of California is suffering greatly and clearly the interest in seeing us create more opportunity and more jobs does, in fact, lie with this Congress.

Now, I am taking this special order this evening to specifically talk about another item which is strongly supported by President Clinton. It would be less than honest for me to stand here and say that I agree with the things that were said by my colleagues on the other side of the aisle. I, in the goals that they have, do share those, but, frankly, I am not a supporter of the program to which they have subscribed.

I will say that I voted against it when we had it considered here, because I happen to believe that bringing about a dramatic tax increase will have a deleterious effect on the entire economy.

My friends were focusing on the issue of small business, and I happen to believe that the small-business sector of the economy will, in fact, be greatly penalized.

One of the things that I would like to point to, and I am going to spend the time this evening not surprisingly to talk about what I think is one of the most job-creating mechanisms for the

United States, and that is implementation of the North American Free-Trade Agreement. But what I would like to do is point to an article that specifically addressed the issue of the economic growth package that my friends on the other side of the aisle were discussing.

□ 2130

It appeared in yesterday's New York Times. I took a 1-minute this morning to talk about this article.

This actually was a bipartisan analysis provided by a wide range of economists, some Republicans, some Democrats, some independents; people who have taken the opportunity to closely scrutinize the package that has come forth.

One of those quoted in this article in fact has been a strong supporter of President Clinton's. I am talking about the economist for C.J. Lawrence, Ed Yardeni, who had been a strong proponent of the Clinton plan early on.

I would like to quote from this New York Times article. He said:

Some economists take an even stronger stand, urging the Administration to forget the current budget package.

What Mr. Yardeni said is:

The best thing they can do for the economy is to figure out a politically acceptable way to walk away from the program even if it meant less deficit reduction.

Now, as we go through, I could read a wide range of these other quotes in this column in that article that was in the New York Times, but suffice it to say there were basically three messages that came forward from the survey of these economists. They said:

First, we should go slow on tax increases; second, we should have tougher spending caps; third, we should proceed with implementation of a North American Free-Trade Agreement; and, fourth, we should go very slowly when we look at this issue of health care reform.

Now, my friends were specifically talking earlier about small business. As we look at the proposed health care reform package that is scheduled to be considered in this House—first it was to be submitted to us in May, then at one point during the summer, now the Congress is hoping to receive the package from Mrs. Clinton's task force sometime in September. That tax, which will be incorporated in that health care reform proposal, based on most independent analyses, including those of the economists here in this New York Times story, indicate that the penalty that will be imposed on the small-business sector of the economy and working Americans will be an overwhelming one.

So I believe we should move forward with those three recommendations going slowly on tax increases, being tougher on spending cuts, and moving very slowly and cautiously on this

issue of health care reform, and proceed as vigorously as possible on implementation of a North American Free-Trade Agreement. I hope my colleagues who are concerned about small business will take the words that are in this New York Times article yesterday to heart.

Madam Speaker, I yield to my friend, the gentlewoman from Connecticut, [Ms. DELAURO].

Ms. DELAURO. I guess it is a question of the battle of the economists or the titans. I would like to quote to my distinguished colleague a quote from Robert Solow and Dr. James Tobin, both of whom are Nobel Laureates, economists and Nobel Laureates.

I would like to read briefly what they have said, and again quoted in the New York Times:

We agree with Mr. Clinton that the country must shift priorities from consumption, private and public, to investment, private and public. Although most of the proposed new taxes and peace dividends are earmarked for defense reduction, the plan before the House allocates small amounts to public investments aimed at a high-tech economy and a high-education workforce. They are, like deficit reduction, justified by their payoffs to future Americans.

Our Group of 7 partners have long been critical of our profligate fiscal policy and tight monetary policy. They are counting on the Administration to engineer a shift to fiscal prudence and lower interest rates. The U.S. in turn is urging fiscal expansion to speed growth in Japan and monetary ease to cut interest rates in Germany and the rest of Europe. That may well be the right brew for the ailing world economy—and for the U.S. trade deficit. But international cooperation might fall apart if Congress balks.

For 12 years, Washington gave the world an object lesson in how divided Government leads to gridlock. Now Congress has an opportunity to show that our Government is not structurally doomed to gridlock. Let the members of both Houses and parties stand up for effective democracy.

So I appreciate the gentleman's comments on the economists, but it is clear that there are economists of stature who are equally on both sides of the issue.

Mr. DREIER. I am happy to say to my friend that she is absolutely right; clearly there are people who are supportive of this plan, there are Members of this House who are obviously strongly supportive of it.

The only point I am making is that as we look at this independent analysis provided through the interviews that the New York Times conducted, it seems to me that they have concluded that the overwhelming thought amongst these economists with whom they spoke was that they wanted to see us move.

And again, remember, I am taking this special order out in order to support one of President Clinton's top priorities. When we finish here, I am going to be talking about one of President Clinton's top priorities which I strongly support.

The fact of the matter is these economists have said they believe that the tax increase package that is in this bill will have a very detrimental effect on the economy. They believe that we should go much more vigorously with spending cuts and they also believe that we should move more cautiously in the area of health care reform and they believe that we need to proceed with implementation of a North American Free-Trade Agreement.

Now, this is what the New York Times describes as the overwhelming message that comes back time and time again as they speak with Democrat, Republican, and independent economists.

Now, I am not going to quarrel with the quote provided by my friend from Connecticut [Ms. DELAURO], but the point I am trying to make is that as we look at the broad cross-section of economic analysis which has been provided to the plan which my friends were discussing, it seems to me there is a lack of support among those people who have completely analyzed it.

Madam Speaker, I again yield to the gentlewoman from Connecticut.

Ms. DELAURO. I will be brief.

Mr. DREIER. Let me interject to say that I would love to have all of the Members remain and discuss this North American Free-Trade Agreement, and that is the reason why I have taken this time out.

Ms. DELAURO. Let me say one further thing, if I may: Again, the gentleman has an article from today's New York Times—

Mr. DREIER. Yesterday's.

Ms. DELAURO. Yesterday's New York Times. I know that there are economists who are supportive. We have two giants in terms of Dr. Solow and Dr. Tobin. Neither of us agrees with every item in the fiscal package, they say, but it represents the most responsible budgeting that has been seen in Washington for a long time.

They mention the reason, the deficit, what would happen with bringing down the Federal debt, what happened with the bond market and with an expectation so that we could go on, ad infinitum, I guess, but I think it is clear that I think we would be able to match economist for economist in this discussion.

Mr. DREIER. Reclaiming my time, the point I am trying to make on this—and, Madam Speaker, I will incorporate this entire article in the RECORD at this point, if I may.

The article referred to is as follows:

[From the New York Times, July 19, 1993]

ECONOMISTS' ADVICE FOR CLINTON

(By Sylvia Nasar)

Bill Clinton's promise to focus on the economy "like a laser beam" created great expectations among the nation's economists. But in the six months since his inauguration, many of them have been sounding increasingly disenchanted with his policies.

Some say the President promised and did not deliver. Others, who thought his can-do approach would bolster confidence and provide the economy with a catalyst, complain that uncertainties, backpedaling and prospects of much higher taxes have sown fear and confusion among business and consumers.

"We've moved from one President who seemed to be out of touch to another President who is also out of touch with what's needed in the economy," said Stephen F. Hiebsch, manager of economic research at the Oklahoma Gas and Electric Company in Oklahoma City, who said he voted for President Clinton because of campaign promises to focus on business investment, education and the nation's roads, bridges and other support systems.

A PROGRAM OFF TRACK?

While some economists defend the budget now on Capitol Hill as a big step toward taming the Federal deficit, many complain that the economic program—from the budget to health care to trade—has veered seriously off track.

To be sure, economists are no less fickle than other Americans. Some of the unhappiness probably reflects disappointment in the President's limited power to get things done: to date, the Administration has found trouble getting its way in Congress. Paul Samuelson of the Massachusetts Institute of Technology, a Nobel laureate in economics and a longtime Democrat, has said, "You've got a President with no influence."

Further, the Administration is stuck with an economy that, while expanding at a modest pace, is struggling to overcome the lingering effects of overbuilt real estate, military cuts and feeble growth in the rest of the world.

Still, said Richard T. Curtin at the University of Michigan, who tracks consumers' moods, "It's the lost opportunity that's frustrating." He acknowledged that the President cannot deliver fast-paced, 1960's-style economic growth, but said there was enough room "to move from a stop-and-go expansion to one that proceeds more steadily."

What do the economists want the President to do? Three themes emerge over and over again: pare or postpone tax increases while pushing for tougher, more enforceable spending caps; go slower on health-care changes, and push harder for the free-trade agreement with Mexico and Canada.

"Hands off would be better," said Alan Sinal, managing director of Lehman Brothers. "Let the economy work out the kinks. We're simply going to have to live with what growth the economy can produce."

Donald Ratajczak, director of the economic forecasting Center at Georgia State University, said, "Most economists don't want the Administration to prime the pump, to just go out and spend."

On the budget, the concern is not only that a big tax increase could hurt economic growth next year, but that it would fail to bring the deficit under control.

Of course, the President's options are limited because the House and Senate have already passed their versions of the budget. But as the differences between the two versions are hammered out, he does have some room to press for smaller tax increases that would take effect at a later date than in the House version of the bill.

CALLING THE WHOLE THING OFF

Some economists take an even stronger stand, urging the Administration to forget the current budget package. "The best thing

they can do for the economy is to figure out a politically acceptable way to walk away from the program even if it meant less deficit reduction," said Ed Yardeni, chief economist at C.J. Lawrence. Raising taxes, said Mr. Yardeni, is likely to weaken the economic recovery without necessarily solving the deficit problem.

Many of the economists in this camp, however, did not buy the original Clinton plan, and remain opposed as much for ideological reasons as for fear that the recovery is unacceptably weak.

Still, few economists are willing to go so far, largely because they fear that interest rates would jump if the Administration failed to get a deal. And because the broad outlines of both bills—higher top income-tax rates and a 35 percent corporate tax—are similar, they urge the Administration to tinker around the edges.

"The most important thing is to get the budget passed, and erase the uncertainty," said Laurence H. Meyer, who runs an economic consulting firm with that name in St. Louis. "You don't turn back."

In fact, he and others said the President's biggest impact on the economy so far has come not from programs themselves, but from the waiting.

"There's no question Clinton confusion is slowing the economy," said Mr. Ratajczak at Georgia State.

Worried that higher corporate taxes will undermine business investment in new plant and equipment, one of the few sources of strength in the economy, several economists want the Administration to minimize increases in the tax burden on smaller businesses.

"Even if it means a little less deficit reduction, the best package may be one that restores some of the growth provisions," said Jerry Jasinowski, an economist who is president of the National Association of Manufacturers. "If you have to make trade-offs at the margin, you are better off not increasing business taxes that will stifle growth and jobs."

Charles Wolf, dean of the Rand Corporation's graduate school and director of economic research at Rand's National Defense Institute in Santa Monica, Calif., said he would favor a bill from the conference committee that "has more of the investment incentives and less of just raising taxes."

At the same time, some economists are pushing for toughening the procedures in the budget for enforcing limits on spending growth. "It will help to have a President who says he supports the concept of spending caps and I'll be faithful to them," Mr. Meyer said. "That would increase dramatically the credibility of the whole thing."

CAUTION ON HEALTH CARE

Many economists say a Clinton health-care program is an even bigger source of uncertainty for most businesses because it may involve higher payroll taxes. There is growing sentiment among economists that the Administration should go slower on the issue—and proceed with far greater care.

"This is too important to do fast," Mr. Meyer said. "We're changing health care. This is one of the most important bills in recent history, and it's only reasonable that it be a consensus solution."

Referring to the Administration's tough talk on health-care changes, Rudolph Penner, an economist at KPMG Peat Marwick and a former director of the Congressional Budget Office, said: "Their first rule should be 'thou shalt do no harm.' People have been particularly careless; they

have not been sensitive to the damage they can cause to businesses with remarks about price controls here and payroll taxes there."

Some economists also spoke of the potentially stimulative effects of increased trade, saying the President should be pressing harder for the North American Free Trade Agreement.

"I would like to see this free-trade agreement pushed real hard," said Mr. Hiebsch of Oklahoma Gas and Electric. "If free trade is good between Texas and New York and between Kansas and Oklahoma, I can't believe free trade wouldn't be good between Mexico, Canada and the U.S."

Diane Swonk, senior regional economist and vice president of the First National Bank of Chicago, agreed. "Nafta is our insurance policy that Mexico doesn't back off from its reforms," she said. "Without it, medium and small exporters get locked out. What we're hearing from our customers is that the uncertainty has already slowed a lot of momentum."

I commend this article to my colleagues.

Madam Speaker, let me read the title of this article: "Economists' Advice for Clinton. Caution Is Urged on Tax Proposals."

And while my friend has discussed two specific economists, this is discussed probably by nearly a dozen economists' proposals in response to the plan.

I am not standing here as a defender of the New York Times. I do not do it every day. But the fact of the matter is I believe this does provide an independent analysis, and I have referred to one person in mine. The one person that I quoted from the article was a supporter of President Clinton's.

He has said that he believes it would be very advantageous to step away from this package because he is concerned that it will have a detrimental effect on the economy.

One of the reasons I mention the article is I am hell-bent to stand here and talk about the fourth item which these economists overwhelmingly support and, as I said, I would love to have any of my colleagues who support or who oppose the North American Free-Trade Agreement here to discuss it for a few minutes with me.

I am going to respond to some specific allegations on the package that was made in a Roll Call article, and then I would be happy to yield to anyone who would want to ask questions of me on NAFTA. You are welcome to speak for it or against it, however you like.

Ms. DELAURO. I thank the gentleman.

Mr. DREIER. Absolutely.

Madam Speaker, I mentioned I wanted to take a few minutes to respond to this specific article. As I said, I agree with my colleagues—job creation right here in the United States is clearly a top priority. It is of great concern to me. I am the Representative from Los Angeles, CA, and it is no secret that the cuts in the defense and aerospace industries have had a very chilling effect on our economy.

□ 2140

There is a great deal of pain in southern California, plus we are suffering from one of the most serious problems which I am happy to say this House has addressed most recently just this afternoon when we were dealing with the Commerce, State, Justice appropriations bill, and that is the flight of illegal immigrants coming across the border into the United States.

What I would like to do is refer specifically to the article that appeared in Roll Call. It was authored by two of my colleagues who are very outspoken opponents of the North American Free-Trade Agreement. I am referring to COLLIN PETERSON and SHERROD BROWN who have been leaders in this newly formed anti-NAFTA caucus.

Roll Call is a Capitol Hill newspaper which circulates throughout Capitol Hill and now gets a great deal of acclaim in other media and is often quoted.

This article that was written by these two Members of Congress specifically states that those of us who are proponents of NAFTA have been ignoring the facts on trade agreement.

Now, this is really quite a charge that has been leveled, considering that it has been those of us who are NAFTA supporters who have repeatedly and consistently called upon NAFTA critics to engage in a debate that is founded on facts. Instead, the special interests have run the organized National Anti-North American Free-Trade Agreement campaign that focused on distortions and fear, designed to sway public opinion.

In general, the facts of this treaty and the opponents of NAFTA have in fact been strangers.

The facts of the treaty and the opponents of NAFTA are really a long way apart, and that is the reason I am standing here to specifically talk about the facts, and I am going to do that.

No. 1, NAFTA is a net job creator, which is what I said at the opening of my remarks and what I continue to believe strongly.

The Peterson and Brown article claims that estimates of job creation by NAFTA are not fair representations of the job impact of NAFTA, because they are gross job numbers, rather than net job numbers. Basically, PETERSON and BROWN claim that the positive job estimates only account for the jobs that are created, but not the jobs that are lost. They claim that the U.S. Trade Representative's estimate of 200,000 new jobs suffers from that problem.

Now, those of us who support free trade, those of us who believe in the ability of the American worker and the American entrepreneur to compete in the international arena, believe that the job creating aspects of free trade are one of the most important reasons to support NAFTA.

As I said, I support NAFTA because it is going to create jobs here in the United States.

By the way, I should say over the past several years, those export-related manufacturing jobs enjoy wages that are 17 percent higher than the wage rate for non-export manufacturing jobs.

Therefore, we do believe that eliminating those Mexican barriers will create jobs right here in the United States of America.

Now, again, President Clinton happens to be a strong proponent of NAFTA. His U.S. Trade Representative estimates that we will enjoy 200,000 more jobs.

The study cited by this Peterson and Brown article that appeared in Roll Call estimates that 316,000 new jobs will be created. In fact, nearly every reputable economic study, and I mentioned earlier that New York Times piece, virtually every one of those economists, and I suspect that even the economists who were mentioned by my colleague, the gentlewoman from Connecticut [Ms. DELAURO] happens to believe that NAFTA will create jobs here in the United States.

PETERSON and BROWN try to claim that these new jobs do not overcome jobs that will be displaced by NAFTA. They say that if you count job gains and job losses, that you get a net jobs figure that is much worse. To back up this assertion, they state that "The Hufbauer and Schott study admits that over the long term, the U.S. could experience a net job loss."

First, I would note that this statement distorts the Hufbauer and Schott study to the point that it is not at all recognizable. Hufbauer and Schott estimate that NAFTA will create as I said, 316,000 jobs, and cause the displacement of 146,000 jobs. Thus, the net jobs figure that PETERSON and BROWN claim to consider as an important fact is actually net increase of 170,000 jobs.

Let me repeat that for clarity. The Hufbauer and Schott study to which they referred in their article has a net increase of 170,000 jobs. That figure for net jobs created in the United States is also not too different than the 200,000 jobs estimated by President Clinton's U.S. Trade Representative.

I would note that the job figure from Hufbauer and Schott, the 170,000 net new jobs, is based on increased American exports. The study estimates that reducing Mexican barriers to competitive American exports will increase our exports by \$16.7 billion. At the same time, American imports from Mexico will increase by \$7.7 billion. Increased exports create good jobs. It is a simple concept, but it lies at the heart of the NAFTA debate.

The second point. Structural adjustments occur without NAFTA.

PETERSON and BROWN then proceed to describe the dilemma of how not as

many jobs are being created in the United States as we would all like. They claim that our economy is undergoing a structural adjustment.

Now, what do they mean by "structural adjustment?" It certainly sounds like a devastating thing, and despite their stated interest in the facts, they do not really explain the concept of structural adjustment in much depth.

What they probably mean, is that during the past few years, many American businesses have struggled to become more efficient. In other words, they are trying to do more with less. Now, economists will tell us that becoming more efficient is the key to economic growth and improving our standard of living. It is not just a good thing, but it is the most important positive development that we have in our economy.

Of course, increased efficiency means that the economy can grow without necessarily creating as many jobs as before in the same places. Thus, IBM, for example, tries to build more computers, and serve more customers, but they try to do it with fewer employees. This is how they stay competitive.

The key across the entire economy is to have the incentives necessary to create new jobs to replace the ones lost as existing companies become more efficient. For example, the 17 million new jobs created from 1982 to 1990 represented 17 million new opportunities for workers.

Structural adjustments will go on as long as American business is trying to be more efficient, more competitive, and more effective. Hopefully, that will be forever. We should try to create every incentive possible to encourage the new investment necessary to create new companies and new jobs, so that there are good job opportunities for every American.

If PETERSON and BROWN mean to try to freeze employment in specific industries as a way of avoiding "structural adjustments", I do not think that is good, sound economic policy.

In fact, it is anathema to everything that the rest of the world is trying to move towards, that being a free economy. For example, today there are fewer people employed on American farms than there were 70 years ago. I do not believe that we lost millions of farm jobs; instead, our farmers became more efficient.

There will always be American industries in the process of reducing employment, while others are growing. Politicians can try to delay those inevitable market-oriented adjustments, but the results will always be economic decay. Instead, we should maximize the opportunity for competitive American industries to thrive and grow for the benefit of the entire economy.

Madam Speaker, I believe that implementation of the North American Free-Trade Agreement is one of the best

things that we can do to further that goal.

□ 2150

Madam Speaker, the third point I would like to make is: How can a Mexican afford to buy American products?

It is ironic that, while PETERSON and BROWN claim that they wanted the NAFTA debate to focus on facts, they try to perpetrate the type of baseless, anti-NAFTA rhetoric that clearly demeans this debate. They attempt to claim, through a ridiculous, rhetorical question, that nobody in Mexico can afford to buy American products because they are too poor. This is the type of scurrilous disinformation that is extraordinarily frustrating for those of us who truly want this debate to stick to the facts. The anti-NAFTA campaign has attempted to portray Mexico as a poverty stricken country that cannot consume anything that Americans produce. They describe Mexico in terms that are more appropriate for a country like Haiti, or Somalia, or the Sudan.

Now Mexico is not a rich nation. I am the first to admit that. They are not an industrialized power like the United States, or Germany, or Japan. They are not developed like Canada or Great Britain, but they are a vibrant, developing country with one of the fastest growing markets in the world. Mexico represents an extraordinary market for many American goods. Right now Mexico is our third largest export market, just behind Canada and Japan. They are not given those American exports as charity. Madam Speaker, they buy them.

Just as important, Mexico has a growing economy. The fastest growing economies in the world are countries like Mexico, Korea, Thailand, Chile. They are the countries that are booming. Even during this worldwide recession, Madam Speaker, Mexico is averaging 4-percent growth per year, which is twice as fast as the growth rate that we have here in the United States. The more we can do to tap into those growth markets, the more our economy will benefit.

Above all other countries, Madam Speaker, Mexico is a great export market for the United States because the Mexican people like buying United States goods. Right now they consume \$380 of products per person in Mexico. That is more than the average Korean, which is at \$360 and just a little less than the average Japanese at \$400. Now that average Japanese person earns ten times as much, so, so much for Mexico being too poor to buy our goods. Mexicans have the highest propensity to buy United States goods of any foreign country, spending approximately 15 cents out of every dollar on United States goods and services. NAFTA will increase economic development in Mexico, increasing the ability of Mexi-

cans to buy our products. To attribute all Mexican exports to a few multimillionaires is to stoop to such a ridiculous level as to embarrass all of us.

Now, Madam Speaker, the fourth point I would like to make is the one I referred to in my opening remarks. That is the North American Free-Trade Agreement as it relates to one of the most pressing problems that those of us who live in southern California face, that of illegal immigration.

Now PETERSON and BROWN close their column by claiming that NAFTA will exacerbate the problem of illegal immigration from Mexico. Those of us from southern California, as I said, know better than most the problems caused by illegal immigration, and I have been working diligently with my colleagues to fight them, and I am happy to say again that we are increasing the Border Patrol so we can deal with that problem right there on the front line.

Brown and Peterson state that, and I quote, even the pro-NAFTA experts predict increased illegal immigration resulting from NAFTA, and they specifically cite again the Hufbauer and Schott study. Again, Madam Speaker, they appear to have misunderstood or clearly misrepresented this study.

On page 25 of the Hufbauer study it states, and I quote, that Mexican immigration is likely to increase in the short run for reasons having nothing to do with NAFTA.

Now let me repeat that. They cite this study, the Hufbauer-Schott study, indicating that illegal immigration is going to increase with the implementation of NAFTA, and yet the study itself on page 25 states that Mexican immigration is likely to increase the short run for reasons having nothing to do with NAFTA. That is a pretty important fact they leave out.

In reality, Madam Speaker, the desire to stem the flow of illegal immigration, illegal immigrants entering our country from Mexico, is clearly one of the most important reasons that I support NAFTA. Emigration from Mexico is primarily driven by poverty. A poor southern neighbor is likely to be a constant source of immigrants for the United States. On the other hand, a prosperous Mexico will pose little threat to the United States and be as good a neighbor as Canada is now.

Let us look at this very important immigration question a little more closely. As I say, why is it that Mexicans illegally cross the border and come into the United States? It is easy. Mexicans illegally emigrate in search of one thing, economic opportunity, whether it is in the form of a job, employment opportunities or the tremendous welfare system that we at the Federal level impose on State and local governments, mandating that they provide health care, welfare, education, criminal justice, a wide range of government services that are not provided in Mexico.

A study by the National Commission for Employment Policy indicates that in the short run, for reasons having nothing to do with NAFTA, immigration from Mexico is likely to increase by four to five million immigrants.

What then will slow Mexican illegal immigration?

Now I remember very well listening to President Salinas de Gortari when he said that our goal is to export products, not people.

The most effective way to fight immigration is to reverse the desire of Mexicans to leave, and again I support strongly this Border Patrol effort to block them at the border. But we need to provide an incentive for them to stay, and the best incentive to keep Mexicans in Mexico would be the availability of the very jobs and opportunities that they seek. The Mexican economy must offer more economic opportunity to the Mexican people. It must grow at a rate fast enough to satisfy the economic needs of their growing population.

Now I strongly support the efforts to increase economic opportunity. I do not support foreign aid to Mexico. I do not believe we should take U.S. taxpayer dollars and funnel them to Mexico. That will not get at the root of the problem. We need to recognize that improving the economy of Mexico through the trade idea is the route for us to take.

One study suggests that a 20-percent increase in the Mexican capital stock, which is Mexican plant facilities and equipment, relative to that of the United States would offset the pressure for increased migration from Mexico that will occur without NAFTA.

Experience from Western European integration indicates that once rising wages in the poorest countries reach 40 percent of those in the richest, illegal immigration dramatically tapers off.

Now, Madam Speaker, we constantly heard this rhetoric about so-called 58-cent-an-hour labor. It is not that. The U.S. Trade Representative has already said the average wage rate for those in the manufacturing industries in Mexico is \$2.35 an hour. If we really believe this market, we are going to see wage rates improve on both sides.

How does NAFTA offer a long-term immigration solution? Quite frankly NAFTA will indisputably contribute to economic growth in Mexico. NAFTA will increase both wage rates and employment in Mexico.

By helping the Mexican economy grow, NAFTA is crucial to the only realistic long-term solution to the illegal immigration problem.

Opponents of NAFTA cannot logically criticize at the same time immigration and the sucking of jobs south: if those millions of jobs did move, then immigration from Mexico would evaporate because all the jobs would be there.

Finally, the most important question that we need to ask is: Will defeating NAFTA solve the Mexican immigration problem or the economic challenges that we face both here at home and in Mexico?

The answer is a resounding no.

Defeating NAFTA will worsen illegal immigration by setting back the pace of Mexican economic development.

□ 2200

Defeat of NAFTA will not solve any problems, including illegal immigration, American plant closings, environmental distress, or drug use. Just as many other problems that NAFTA opponents decry, illegal immigration can only worsen without NAFTA.

Madam Speaker, it seems to me as we look at every single one of these items, we have to ask that question again: is the status quo going to improve the environmental quality in Mexico or at the border? Is the status quo going to ensure that we will not see this flow of illegal immigrants come across the border? Is the status quo going to end the shift of jobs and businesses from the United States to Mexico, businesses which today have to move to Mexico if they want to take advantage of the 88 million consumers who are there? The answer is a resounding no.

Madam Speaker, I will say again that I welcome an exchange from my colleagues. Obviously I do not have any of my other colleagues here in the chamber at this moment. I hope I did not run all of them off. But I will say that as we look at this issue over the next several weeks and months, it is clear to me that we need to do everything that we possibly can to do what my colleagues, Messrs. BROWN and PETERSON said in their Roll Call article: Deal with the facts. Their article did not. We are trying to.

Madam Speaker, I hope very much that the American people, as they listen to much of the rhetoric which has come out on the North American Free Trade Agreement, will in fact join those of us who are proponents of NAFTA and deal specifically with the facts.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MOAKLEY (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of illness in the family.

Mr. FROST (at the request of Mr. GEPHARDT), for today, on account of illness.

Mr. MANN (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mr. TUCKER (at the request of Mr. GEPHARDT), for today, on account of district business.

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. INHOFE) to revise and extend their remarks and include extraneous materials:)

Mr. INHOFE, for 5 minutes today.

Mr. BOEHNER, for 5 minutes today.

Mr. WELDON, for 60 minutes on July 22.

Mr. ARMEY, for 60 minutes each day on July 22, 28, and 29.

(The following Members (at the request of Ms. DELAURO) to revise and extend their remarks and include extraneous materials:)

Mrs. COLLINS of Illinois, for 5 minutes each day, on September 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30 and October 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29, and November 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, 30, and December 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30, and 31.

Mr. DEUTSCH, for 5 minutes, today.

Mr. GEPHARDT, for 60 minutes each day, on July 20, 21, 22, 23, 26, 27, 28, 29, 30 and August 2, 3, 4, 5, and 6.

Ms. SHEPHERD, for 60 minutes, on July 22.

Mr. HINCHEY, for 60 minutes, on July 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. INHOFE) and to include extraneous matter:)

Mr. EWING.

Mr. KING in two instances.

Mr. LEWIS of California.

Mr. DUNCAN.

Mr. COBLE.

Mr. LEVY in two instances.

Mr. SAXTON.

Mr. GUNDERSON.

Ms. SNOWE.

Mr. TALENT.

Mr. RAMSTAD.

Mr. SAXTON.

Mr. GOODLING.

Mrs. MORELLA.

Mr. OXLEY.

Mr. SANTORUM.

Mr. THOMAS of Wyoming.

(The following Members (at the request of Ms. DELAURO) and to include extraneous matter:)

Mr. MAZZOLI.

Mr. LANTOS.

Mr. HOYER.

Mr. TRIFICANT in five instances.

Mr. CARR.

Mr. SABO.

Mr. HUGHES.

Mr. HINCHEY.

Mr. DARDEN.

Ms. BYRNE.

Mr. BROWN of California.

Ms. HARMAN.

Mr. KLEIN.

Mr. KREIDLER.

Mr. COPPERSMITH.

Ms. CANTWELL.

Mr. DOOLEY.

Ms. ESHOO in two instances.

Mr. HAYES.

Mr. SERRANO in two instances.

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mr. GONZALEZ.

Ms. WOOLSEY.

ADJOURNMENT

Mr. DREIER. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 21, 1993, 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:

1611. A letter from the Assistant Secretary for Communications and Information, Department of Commerce, transmitting a draft of proposed legislation entitled, "Telecommunications and Information Infrastructure and Public Broadcasting Facilities Assistance Act of 1993"; to the Committee on Energy and Commerce.

1612. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Department of the Air Force's proposed lease of defense articles to Switzerland (Transmittal No. 10-93), pursuant to 22 U.S.C. 2796a(a); to the Committee on Foreign Affairs.

1613. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed lease of defense articles to Saudi Arabia (Transmittal No. 9-93), pursuant to 22 U.S.C. 2796a(a); to the Committee on Foreign Affairs.

1614. A letter from the Director, Defense Security Assistance Agency, transmitting the Price and Availability Report for the quarter ending June 30, 1993, pursuant to Public Law 100-461, section 588(b)(3) (102 Stat. 2268-51); to the Committee on Foreign Affairs.

1615. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting two reports on the control and elimination of chemical and biological weapons, pursuant to Public Law 102-182, section 308(a) (105 Stat. 1257); to the Committee on Foreign Affairs.

1616. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the report of political contributions by Donald J. McConnell, of Ohio, to be Ambassador to Burkina, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1617. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the report of political contributions by Aurelia Erskine Brazeal, of Georgia, to be

Ambassador to the Republic of Kenya; John S. Davison, of Maryland, to be the Ambassador to the Republic of Niger; James R. Jones, of Oklahoma, to be Ambassador to Mexico; Stuart E. Eizenstat, of Maryland, to be the U.S. Representative to the European Communities, with the rank of Ambassador, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1618. A letter from the Acting Director, Arms Control and Disarmament Agency, transmitting the annual "Report to Congress on Arms Control and Disarmament Studies," pursuant to Public Law 100-213, section 4 (101 Stat. 1445); to the Committee on Foreign Affairs.

1619. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 93-31, with respect to military sales of depleted uranium ammunition to Sweden; to the Committee on Foreign Affairs.

1620. A letter from the Bureau of Reclamation, Department of the Interior, transmitting notification that the Bureau of Reclamation finds it necessary to construct modifications to Bonny Dam, Pick-Sloan Missouri Basin Program, CO, in order to preserve its structural safety; to the Committee on Natural Resources.

1621. A letter from the Director of Defense Research and Engineering, Department of Defense, transmitting a copy of the Strategic Environmental Research and Development Program, Phase II Plan, pursuant to Public Law 101-510, section 1801(a) (104 Stat. 1755); jointly, to the Committees on Armed Services and Science, Space, and Technology.

1622. A letter from the Secretary of Transportation, transmitting the biennial report on compliance with the Marine Plastic Pollution Research and Control Act, pursuant to 33 U.S.C. 1902 note; jointly, to the Committees on Appropriations, Merchant Marine and Fisheries, and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on the Judiciary. House Resolution 198. Resolution requesting the President to furnish to the House of Representatives certain documents concerning the response of the Federal Bureau of Investigation to allegations of criminal conduct in the White House travel office; adversely (Rept. 103-183). Referred to the House Calendar.

Mr. NATCHER: Committee on Appropriations. H.R. 2667. A bill making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes (Rept. 103-184). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEILENSON: Committee on Rules. House Resolution 218. Resolution providing for the consideration of the bill (H.R. 2530) to providing for the consideration of the bill (H.R. 2530) to amend the Federal Land Policy and Management Act of 1976 to authorize appropriations for programs, functions, and activities of the Bureau of Land Management, Department of the Interior, for fiscal year 1994, and for other purposes (Rept. 103-185). 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. GONZALEZ (for himself and Mrs. ROUKEMA):

H.R. 2668. A bill to establish a demonstration program to provide affordable rental housing for low-income families, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BUNNING:

H.R. 2669. A bill to authorize the Secretary of Transportation to convey to the city of Warsaw, KY, a vessel in the National Defense Reserve Fleet that is scheduled to be scrapped; to the Committee on Merchant Marine and Fisheries.

By Ms. CANTWELL (for herself and Ms. SNOWE):

H.R. 2670. A bill to amend the Export Administration Act of 1979 to extend indefinitely the current provisions governing the export of certain domestically produced crude oil; to the Committee on Foreign Affairs.

By Mr. DUNCAN:

H.R. 2671. A bill to provide that of amounts available to a designated agency for a fiscal year that are not obligated in the fiscal year, up to 50 percent may be used to pay bonuses to agency personnel and the remainder shall be deposited into the general fund of the Treasury and used exclusively for deficit reduction; to the Committee on Governmental Operations.

H.R. 2672. A bill to amend the Internal Revenue Code of 1986 to retain 80-percent deductibility for meal expenses of drivers of motor vehicles who are subject to Federal restrictions on hours of duty; to the Committee on Ways and Means.

By Mr. ENGEL:

H.R. 2673. A bill to amend title XVIII of the Social Security Act to provide for coverage of expanded nursing facility and in-home services for dependent individuals under the Medicare Program, to provide for coverage of outpatient prescription drugs under part B of such program, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HOEKSTRA:

H.R. 2674. A bill to provide for a national advisory referendum on an amendment to the Constitution to limit the terms of Representatives and Senators; to the Committee on the Judiciary.

By Mrs. MEEK:

H.R. 2675. A bill to amend title XIX of the Social Security Act to require States to apply the income and resource standard established under the supplemental security income program under title XVI of such act in determining the eligibility of individuals for medical assistance under State Medicaid plans; to the Committee on Energy and Commerce.

H.R. 2676. A bill to amend title XVI of the Social Security Act to reform the supplemental security income program; to the Committee on Ways and Means.

By Mr. MINETA (for himself, Mr. NATCHER, and Mr. MCDADE):

H.R. 2677. A bill to authorize the Board of Regents of the Smithsonian Institution to plan, design, and construct the West Court of the National Museum of Natural History building; jointly, to the Committees on Public Works and Transportation and House Administration.

By Mr. THOMAS of Wyoming (for himself, Mr. RICHARDSON, Mr. YOUNG of Alaska, and Mr. CALVERT):

H.R. 2678. A bill to restrict the implementation of proposals of the Task Force on Bureau of Indian Affairs Reorganization; to the Committee on Natural Resources.

By Mr. TORRICELLI:

H.R. 2679. A bill to amend the Public Health Service Act, part A of title IV of the Social Security Act, and the Food Stamp Act of 1977 with respect to the establishment of a demonstration program to provide inducements to parents to ensure that the children of the parents are properly immunized against vaccine-preventable diseases; jointly, to the Committees on Energy and Commerce, Ways and Means, and Agriculture.

By Mr. TRAFICANT (for himself, Mr. DUNCAN, Mr. MINETA, Mr. SHUSTER, Mr. BORSKI, Ms. NORTON, and Mr. LEWIS of Georgia):

H.R. 2680. A bill to amend the Public Buildings Act of 1959 concerning the calculation of public building transactions; to the Committee on Public Works and Transportation.

By Mr. WYNN:

H.R. 2681. A bill to amend title 18, United States Code, regarding false identification documents; to the Committee on the Judiciary.

By Mr. GLICKMAN:

H.J. Res. 234. Joint resolution designating the week of October 3 through 9, 1993, as "National Customer Service Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

226. The SPEAKER presented a memorial of the General Assembly of the State of Nevada, relative to urging the national designation of the month of May as United States Armed Forces History Month; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HOEKSTRA introduced a bill (H.R. 2682) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade of the United States for the vessel *Shiloh*; which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 14: Mr. KREIDLER.

H.R. 84: Mr. THOMPSON, Mr. DELLUMS, Mr. REYNOLDS, Mrs. UNSOELD, Mr. RANGEL, Mr. HILLIARD, Mr. FROST, Mr. ENGEL, Mr. RAVENEL, Mrs. MINK, Mr. DIXON, Mr. BILBRAY, Mr. CLYBURN, Mr. STARK, Mr. PARKER, Mr. PENNY, Mrs. CLAYTON, Mr. BISHOP, Mr. LEWIS of Georgia, Mr. SCOTT, and Mr. CHAPMAN.

H.R. 214: Mr. PORTER.

H.R. 322: Mr. GONZALEZ, Mr. FOGLIETTA, Mr. BERMAN, and Mr. DELLUMS.

H.R. 406: Mr. WHEAT.

H.R. 468: Mr. BROWN of Ohio, Mr. OLVER, and Ms. BYRNE.

H.R. 563: Mr. PARKER.

H.R. 567: Mr. PAXON.

H.R. 591: Mr. NEAL of Massachusetts.

- H.R. 647: Mr. PICKLE.
 H.R. 649: Mr. STUPAK.
 H.R. 656: Mr. DEFAZIO.
 H.R. 671: Mr. MCCLOSKEY.
 H.R. 672: Mr. HASTINGS and Mr. LAZIO.
 H.R. 702: Mr. CANADY and Ms. LAMBERT.
 H.R. 710: Mr. JOHNSTON of Florida, Mr. MARKEY, Mr. SERRANO, and Mr. WYNN.
 H.R. 773: Mr. POMBO.
 H.R. 786: Mr. MACHTLEY, Mr. LEWIS of Florida, Mr. TEJEDA, Mr. TAYLOR of North Carolina, and Mr. SENSENBRENNER.
 H.R. 789: Mrs. MEEK, Mrs. MALONEY, Mr. DE LUGO, Mr. MARTINEZ, Mr. BARCIA of Michigan, Mr. WILLIAMS, Mr. FORD of Michigan, Mr. HINCHEY, Mr. MENENDEZ, Mr. KLECZKA, Mr. TUCKER, and Mr. RANGEL.
 H.R. 830: Mr. HOBSON, Mr. ROHRBACHER, and Mr. SMITH of Oregon.
 H.R. 840: Mr. FARR and Mr. CLYBURN.
 H.R. 857: Mr. DOOLITTLE.
 H.R. 895: Mr. DOOLITTLE and Mr. PAXON.
 H.R. 896: Mr. DOOLITTLE, Mrs. LLOYD, and Mr. PAXON.
 H.R. 911: Mr. UPTON.
 H.R. 953: Mr. SMITH of New Jersey.
 H.R. 1015: Mr. FRANK of Massachusetts.
 H.R. 1036: Ms. CANTWELL and Mr. SWETT.
 H.R. 1086: Mr. PARKER.
 H.R. 1087: Mr. WHEAT and Mrs. LLOYD.
 H.R. 1126: Mr. PAXON.
 H.R. 1129: Mr. PAXON.
 H.R. 1130: Mr. PAXON.
 H.R. 1133: Mr. SANGMEISTER, Mr. MARTINEZ, Mr. STOKES, Mr. VALENTINE, Mr. PAYNE of New Jersey, Mr. MINGE, Mr. GUNDERSON, Mr. HOLDEN, Mr. GINGRICH, and Mr. GENE GREEN of Texas.
 H.R. 1174: Mr. NADLER, Mr. FRANK of Massachusetts, Mr. PARKER, Mr. WISE, Ms. NORTON, and Mr. HALL of Ohio.
 H.R. 1181: Mr. SCHAEFER, Mr. BROWDER, Mr. HOEKSTRA, Mr. BILBRAY, and Mr. DUNCAN.
 H.R. 1257: Mr. GUTIERREZ.
 H.R. 1295: Mr. KLECZKA, Mr. HUNTER, Mr. BUNNING, Mr. OXLEY, Mr. SCHAEFER, Mr. FARR, and Mr. HASTINGS.
 H.R. 1362: Ms. KAPTUR and Mr. RANGEL.
 H.R. 1389: Mr. SERRANO.
 H.R. 1500: Mr. OWENS and Mr. SPRATT.
 H.R. 1526: Mr. MCDERMOTT.
 H.R. 1534: Mr. DELLUMS.
 H.R. 1542: Mrs. MORELLA and Mr. MCDERMOTT.
 H.R. 1559: Miss COLLINS of Michigan.
 H.R. 1583: Mr. PORTER, Mrs. MORELLA, Mr. FAWELL, and Mr. LEWIS of Florida.
 H.R. 1604: Mr. OXLEY, Mr. BLUTE, Mr. MILLER of Florida, Mr. OWENS, Ms. BYRNE, and Mr. COPPERSMITH.
 H.R. 1608: Mr. APPELEGATE, Mr. CLYBURN, Mr. GEKAS, Mr. GILCHREST, Mr. HANSEN, Mr. JOHNSON of Georgia, Ms. KAPTUR, Mr. LINDER, Mr. MEEHAN, Ms. MOLINARI, Mr. RAMSTAD, Mr. SMITH of Oregon, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska.
 H.R. 1622: Mr. DOOLITTLE.
 H.R. 1697: Mr. TORKILDSEN, Mr. SCHAEFER, Mr. MATSUI, Mr. TUCKER, Ms. ESHOO, Mr. POMBO, Mr. BONILLA, Mr. MANN, and Mr. PAXON.
 H.R. 1797: Ms. BYRNE.
 H.R. 1800: Mr. PAYNE of New Jersey, Mrs. MINK, Mr. FILNER, and Mr. SERRANO.
 H.R. 1801: Ms. NORTON, Mr. WYNN, Mr. SAXTON, and Mr. HUGHES.
 H.R. 1823: Ms. VELÁZQUEZ and Mr. KASICH.
 H.R. 1890: Mr. DEFAZIO.
 H.R. 1897: Mr. RAVENEL and Mrs. VUCANOVICH.
 H.R. 1900: Mr. APPELEGATE, Mr. EVANS, Mr. FINGERHUT, Mr. PALLONE, Mr. PRICE of North Carolina, Ms. LOWEY, Mr. RANGEL, and Mr. DEFAZIO.
 H.R. 1902: Mr. BARLOW.
 H.R. 1957: Mr. BOEHNER.
 H.R. 2062: Mrs. LOWEY.
 H.R. 2076: Mr. ABERCROMBIE, Mr. KREIDLER, and Mrs. MORELLA.
 H.R. 2077: Mr. WASHINGTON.
 H.R. 2107: Mr. FOGLIETTA, Mr. BOUCHER, Mr. WELDON, Mr. BLILEY, Mr. JACOBS, Mr. BILIRAKIS, Ms. BYRNE, Mr. RANGEL, Ms. NORTON, Mr. BARLOW, Mr. BONIOR, and Mrs. MEYERS of Kansas.
 H.R. 2114: Mr. ABERCROMBIE, Mr. DE LUGO, Mr. FALCOMA, and Mr. YOUNG of Alaska.
 H.R. 2115: Mr. SCHAEFER.
 H.R. 2130: Mr. PETRI, Ms. PRYCE of Ohio, and Mr. PARKER.
 H.R. 2135: Mr. ENGEL and Mr. GUTIERREZ.
 H.R. 2140: Mr. OWENS, Mr. LEVY, and Mr. MENENDEZ.
 H.R. 2142: Mr. EVANS and Mr. ENGEL.
 H.R. 2153: Mr. BRYANT, Mr. OLVER, Mrs. MALONEY, Mr. WILSON, Ms. NORTON, Mr. YATES, Ms. WOOLSEY, Mr. WASHINGTON, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. MINETA.
 H.R. 2177: Mr. DE LUGO, Mr. INHOFE, Mr. PETE GEREN of Texas, and Mr. LAUGHLIN.
 H.R. 2276: Mr. FOGLIETTA.
 H.R. 2278: Mr. GRAMS.
 H.R. 2319: Mr. CONDIT, Mr. FAWELL, Mr. FINGERHUT, Mr. FRANKS of Connecticut, and Mr. HUNTER.
 H.R. 2331: Mr. WILSON and Mr. HOCHBRUECKNER.
 H.R. 2346: Mr. PARKER.
 H.R. 2375: Mr. SLATTERY.
 H.R. 2379: Mr. PACKARD.
 H.R. 2414: Mr. BONIOR, Mr. MCCURDY, and Mrs. ROUKEMA.
 H.R. 2417: Mr. PARKER, Mr. BILBRAY, and Mr. BOEHNER.
 H.R. 2434: Ms. MOLINARI.
 H.R. 2462: Mr. BEREUTER.
 H.R. 2481: Mr. WAXMAN, Mr. FILNER, Mr. BARRETT of Wisconsin, Mrs. ROUKEMA, Ms. PELOSI, Mrs. UNSOELD, Mr. HUGHES, and Mr. BILBRAY.
 H.R. 2484: Mr. MINETA, Ms. THURMAN, Mr. TUCKER, Mr. PETERSON of Minnesota, Mr. FROST, and Ms. BYRNE.
 H.R. 2488: Mr. ENGEL and Mr. FLAKE.
 H.R. 2526: Mr. JOHNSON of South Dakota, Mr. PETERSON of Minnesota, Mr. POMEROY, and Mr. BARLOW.
 H.R. 2527: Mr. PETERSON of Minnesota, Mr. EVANS, Mr. BARLOW, Mr. JOHNSON of South Dakota, and Mr. POMEROY.
 H.R. 2535: Mr. SLATTERY.
 H.R. 2543: Ms. NORTON and Mr. VENTO.
 H.R. 2572: Ms. FURSE.
 H.R. 2586: Mr. FRANK of Massachusetts, Mr. PETERSON of Minnesota, and Ms. BYRNE.
 H.R. 2602: Mr. CANADY, Mr. CUNNINGHAM, Mr. BELENSON, and Mr. STARK.
 H.R. 2605: Mr. PARKER and Mr. SCOTT.
 H.R. 2612: Mr. MILLER of California and Mr. BERMAN.
 H.R. 2617: Mr. KYL, Mr. STEARNS, Mr. SAM JOHNSON, Mr. ROHRBACHER, Mr. DELAY, Mr. HANCOCK, Mr. COX, Mr. ZELIFF, Ms. PRYCE of Ohio, and Mr. BOEHNER.
 H.R. 2640: Mr. GREENWOOD and Mr. HOBSON.
 H.R. 2654: Mr. FRANK of Massachusetts.
 H.J. Res. 44: Mr. PAXON.
 H.J. Res. 86: Mr. CLEMENT, Mr. PALLONE, Mr. SISISKY, Mr. TAUZIN, Mr. WILSON, Mr. YOUNG of Alaska, Mr. FAZIO, Mr. MCHUGH, Mrs. LLOYD, Mr. EWING, Mr. RAVENEL, Mr. DARDEN, Mr. BORSKI, Mr. COBLE, Mr. DELLUMS, Mr. DIXON, Mr. DUNCAN, Mr. LEWIS of California, Mr. JEFFERSON, Mr. LIVINGSTON, Ms. LOWEY, Mr. RIDGE, Mr. MATSUI, Mr. NEAL of North Carolina, and Mr. NEAL of Massachusetts.
 H.J. Res. 112: Mr. HASTINGS and Mr. LAZIO.
 H.J. Res. 142: Mr. WALSH, Mr. CAMP, and Mr. CASTLE.
 H.J. Res. 165: Mr. HORN, Mr. MOORHEAD, Mr. MEEHAN, Mr. LEVY, Mr. WYNN, Mr. KINGSTON, Mr. KING, Mr. CLEMENT, Mr. LIVINGSTON, Ms. NORTON, Mr. COYNE, Mr. FRANKS of New Jersey, and Mr. MENENDEZ.
 H.J. Res. 188: Ms. BYRNE, Mr. YOUNG of Florida, Miss COLLINS of Michigan, Mr. BARCA of Wisconsin, Mr. EMERSON, Mr. MCDERMOTT, Mr. WYNN, Mr. JOHNSON of South Dakota, Mr. MORAN, Mr. MOORHEAD, Mr. FRANK of Massachusetts, Mr. NATCHER, Mr. SERRANO, Mr. HANSEN, Mr. OWENS, Mr. LIVINGSTON, Mr. RANGEL, Ms. SLAUGHTER, Mr. SABO, Mrs. LLOYD, Ms. KAPTUR, Mr. DEFAZIO, and Mr. SCOTT.
 H.J. Res. 194: Mr. BILBRAY, Mr. MINETA, Mr. HASTINGS, and Mr. CAMP.
 H.J. Res. 198: Mr. YOUNG of Alaska, Mr. DOOLITTLE, Mr. SMITH of Oregon, Mr. EDWARDS of Texas, Mr. PETERSON of Minnesota, Mr. SPENCE, Mr. SAXTON, Mr. JEFFERSON, Mr. MURPHY, Mr. HEFNER, Mr. LANCASTER, and Mr. HUNTER.
 H.J. Res. 206: Mr. OBERSTAR, Mr. RANGEL, Mr. HUTTO, Mr. FAWELL, Ms. DELAUNO, Mr. FROST, Mr. MCNULTY, Mr. HUGHES, Mr. SARPALIS, Mr. WISE, Mr. LIPINSKI, Ms. VELAZQUEZ, and Mr. CAMP.
 H.J. Res. 226: Mr. LEVIN, Mr. FAZIO, Mr. MYERS of Indiana, Ms. BYRNE, Ms. NORTON, Ms. MCKINNEY, Mr. WOLF, and Ms. VELAZQUEZ.
 H. Con. Res. 96: Mr. HOAGLAND, Mr. VENTO, Mr. DINGELL, Mr. SERRANO, and Mr. KYL.
 H. Con. Res. 100: Mr. SKAGGS, Mr. SENSENBRENNER, Mr. WYNN, Mr. COLEMAN, Mr. SCOTT, Mr. RANGEL, Mr. REYNOLDS, Ms. CANTWELL, Mr. HOUGHTON, and Mr. BARCA of Wisconsin.
 H. Res. 134: Ms. FOWLER and Mr. SHUSTER.
 H. Res. 148: Mr. RAMSTAD.
 H. Res. 202: Mrs. COLLINS of Illinois, Mr. ROWLAND, Mr. GREENWOOD, Mr. WOLF, and Mrs. LLOYD.

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. 702: Mr. BELENSON.
 H.R. 2021: Mr. FISH.

EXTENSIONS OF REMARKS

NOT THE HAND TO GROW THE ECONOMY

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. SAXTON. Mr. Speaker, as the House-Senate conferees on the budget debate the details of the Clinton economic plan which sets the levels of Government spending and taxation, I would like to remind my colleagues that history tells us that bigger government is a recipe for slower economic growth and fewer job opportunities.

In an article that recently appeared in the Washington Times, Mr. Cesar Conda of the Alexis de Tocqueville Institution documents the deleterious impact of government spending on economic growth in the seven major industrial economies. Mr. Conda found that in the long run, increased levels of government spending as a share of gross domestic product have led to a reduction in the economic growth rate for all of the group of seven economies. Moreover, he found that relatively smaller government countries tended to outperform those with bigger government sectors.

Under Mr. Clinton's economic and domestic agenda, the United States will become a high-spending, low-growth economy like Germany or Socialist Sweden. Mr. Clinton's tax increases will simply fuel higher levels of government. Add to this the added multibillion-dollar price tag of his proposed health care overhaul, the total size of government in America is likely to skyrocket.

World history tells us that growing government is not the way to grow the economy. If President Clinton and the Democrats in Congress are serious about sparking economic growth, then they should put forward a serious plan to downsize government spending and limit tax burdens.

Mr. Conda's article follows:

[From the Washington Times, July 6, 1993]

NOT THE HAND TO GROW THE ECONOMY

(By Cesar Conda)

The notion that nations can spend their way to economic prosperity has found new respectability among the leaders of the world's industrialized economies.

President Bill Clinton views government as an unambiguously positive force for "growing the economy." His original economic "stimulus" package had called for a \$19.5 billion boost in government spending. Similarly, Japan's ruling party, faced with the most severe economic problems since the 1940s, recently unveiled a spending stimulus package totaling about \$50 billion. And the European Community has jumped on the stimulus bandwagon, approving a plan that includes increased spending on government projects.

Before the world rushes to worship at the altar of Lord Keynes and demands management policies again, let's look at the body of

evidence of the economic effects of increases in government spending.

In 1986, then-Chamber of Commerce Chief Economist Richard Rahn charted an inverse relationship between government spending and economic growth for the seven major industrialized countries in the form of a curve, not unlike the famous "Laffer Curve" that focused on the incentive effects of taxation.

The theory behind the "Rahn Curve" is that, at first, low levels of government spending on basic public services—like law and order and a judicial system to enforce contracts—stimulate growth in the economy. But as spending rises as a share of the economy, its contribution to economic growth diminishes. Government spending eventually reaches a point where it actually retards economic growth.

There are several reasons for this. First, the growing public sector "crowds out" private sector activity, and it often uses the economy's resources far less efficiently. Second as government grows bigger, it tends to accept the broader responsibilities such as reducing poverty. This increased spending on welfare and income transfer programs, however creates severe work disincentives. Third, an expanding government bureaucracy usually is accompanied by more complicated and burdensome regulation that stifles innovation and productivity. Fourth, at some point, the higher tax rate burdens necessary to finance bigger government damage incentives to work, save and invest. The weakened economy fails to generate enough tax revenue to finance the ever-growing spending share, resulting in increased public sector borrowing and debt service burdens.

(Cesar V. Conda is executive director and senior fellow of the Alexis de Tocqueville Institution. He was Republican staff director of the U.S. Senate Small Business Committee, economic counsel to former U.S. Sen. Bob Kasten and an economist with the U.S. Chamber of Commerce)

The accompanying table charts the experience of the Group of Seven (G-7) major industrialized countries and a selected group of four smaller European countries representing the extremes in size of government sectors beginning in the 1960s. (Table not reproducible.)

From the decade of the 1960s to the decade of the 1980s, the public sector as a share of gross domestic product increased in all these countries. All countries also experienced a reduction in the rate of economic growth. However, economic growth fell the least in those countries that had the smallest growth in government share over the two decades (U.S. and U.K.)—and greatest in those that had the fastest growth in government share (Spain, Greece, Netherlands, Sweden, Italy and Japan). In general, the economies with smaller government shares outperformed those with bigger government shares.

By the decade of the 1980s, most of Europe and Canada had experienced a substantial public sector boom, with government shares averaging almost 50 percent of GDP for the decade. In the 1980s, only Japan and the United States remained in the relatively low government spending share of 35.9 percent and 32.8 percent of GDP, respectively. Once

again, the economies of the relatively low-share countries outperformed those of the high-share countries, with the United States alone creating more than 18 million new jobs in the 1980s expansion.

For a brief period in the mid-to late-1980s, Ronald Reagan and Margaret Thatcher led a worldwide resurgence toward limited government spending and taxation. By privatizing several government programs, Prime Minister Thatcher cut the public sector in the United Kingdom from a high of 47.3 percent of GDP in 1984 to 41.3 percent of GDP in 1989.

In the midst of the economic stagnation of the early 1980s, President Reagan proclaimed that "government is not the solution to our problem, government is the problem"—and went on to reduce tax rates and downsize the federal budget as a share of the economy from a postrecession high of 25.4 percent in 1983 to 23 percent in 1989 (the year of the final Reagan budget). While corresponding increases in state and local public spending offset much of Mr. Reagan's federal rollback, total U.S. public spending held steady at about 36 percent of GDP in the 1985-89 period.

In the late 1980s, the limited government movement was emulated by the rest of the world, as spending shares and tax rates were reduced in several countries. Even Socialist Sweden reduced the size of its government from 65 to 60 percent of GDP over the 1985-89 period. As a result, the world economy expanded with the G-7 leading economies posting a respectable average annual growth rate of 3.42 percent.

The 1989-91 period witnessed a swing back to higher government spending. The champions for limited government, Mrs. Thatcher and Mr. Reagan, had left the world political scene. Mr. Reagan's successor, George Bush, actually increased the size of the federal government from 23 percent of GDP in 1989 to back up to 25.4 percent of GDP in 1991 and imposed significantly higher tax burdens on a fragile U.S. economy. All of the G-7 countries followed Mr. Bush's lead as public sector spending shares went up dramatically in almost all of the G-7 countries over the same period and average G-7 growth rates plummeted to an anemic 0.1 percent in 1991.

At this early date, it appears President Clinton is poised to continue this pro-spending trend. In the wake of the recent bad news on unemployment and economic growth, there is now talk in the administration of reviving the full spending stimulus package. Although Mr. Clinton's budget blueprint envisions a reduction in spending as a share of GDP in the later years of the decade, history tells us that promised future spending cuts will not take place—and higher taxes will fuel more spending. Add to this the potential \$60 billion to \$90 billion price tag of Hillary Rodham Clinton's healthcare overhaul, and the total size of government in the United States is more likely to go up, not down.

In conclusion, international experience shows and our own history suggests that the continued growth of government spending and the associated high tax, regulatory and debt burdens has been a recipe for slow economic growth. The world's political leaders must learn from the lessons of the past: The

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

key to economic progress lies not in big government and expansive government intervention, but in government restraint in spending and taxation.

TRIBUTE TO THE SALEM ITALIAN-AMERICAN CLUB

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. TRAFICANT. Mr. Speaker, I rise today in honor of the Salem Italian-American Club, an organization which has enhanced the lives of the citizens of my 17th Congressional District in Ohio for three-quarters of a century.

Mr. Speaker, the club will celebrate its diamond jubilee anniversary on July 31, 1993. The club was founded in 1918 by a group of Italian men as a mutual aid society for families. From its inception, the group provided a great deal of fellowship, support, and assistance to Italians during times of illness, unemployment, death and war. The club gradually expanded its role, however, and now actively supports the community as a whole. It now sponsors scholarships, several youth sports teams, a Boy Scout explorer post, an old timers softball team, and numerous other activities.

I would like to join the citizens of my community in congratulating the Salem Italian-American Club on its historic anniversary. Under the leadership of its current president, Leo J. Taugher III, I can only expect another 75 years of tremendous service to the people of the Mahoning Valley. I am fortunate to have such a worthy organization in my district.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

SPEECH OF

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1993

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2520) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes:

Mrs. ROUKEMA. Mr. Chairman, as Congress ponders new tax increases and deficit reduction, I believe this body must work hard to eliminate all unnecessary Federal spending. Freezing spending at fiscal year 1993 levels is a start, but Congress must work to do more. I am pleased the House was able to trim the total appropriation in H.R. 2520, during consideration of the bill, yet I remain unable to support the final measure on its fiscal merits.

EXTENSIONS OF REMARKS

TRIBUTE TO BOB ZIMMERMAN

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. RAMSTAD. Mr. Speaker, I rise today to applaud Bob Zimmerman of Apple Valley, MN, for his strong contribution to improving the lives of people with disabilities.

Mr. Zimmerman recently received a Governor's award of excellence in assistive technology for designing an innovative ramp for the disabled. The ramp that Zimmerman designed is inexpensive, quick and easy to assemble, and can be reused.

For the past 4 years, Mr. Zimmerman has worked with the Community Action Council in Apple Valley as a liaison between the Division of Rehabilitation Services and the Center for Independent Living. The Community Action Council Agency coordinates the construction of ramps for the disabled.

Bob Zimmerman's contribution not only helps people with disabilities, but our entire society. Individuals with disabilities can be productive members of society and with the help of people like Bob Zimmerman they can realize their full potential.

Mr. Speaker, as a long-time advocate for people with disabilities and as the cofounder and chairman of the House Republican task force on disabilities, I highly commend Mr. Zimmerman for his efforts and dedication.

TRIBUTE TO MYRON "MIKE" WALDMAN

HON. DAVID A. LEVY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. LEVY. Mr. Speaker, I want to offer my condolences to the family of Long Island Newsday reporter Myron "Mike" Waldman who passed away yesterday morning.

Although I have only been here a short time, I know well that Mike was a fixture on Capitol Hill for nearly three decades. As a journalist, he was fair and always sought the truth in his reporting. As a person, Mike was friendly, jovial, and generous.

Mike had an illustrious career as a political reporter for Long Island Newsday. He covered Robert F. Kennedy's campaign for the U.S. Senate, rose to become one of Newsday's top political reporters and covered the Reagan White House in the mid-1980's. His proudest accomplishment came in 1985 when his investigative reporting broke the story on then-President Reagan's infamous trip to a military cemetery in Bitburg, Germany, where soldiers of the Nazi's vaunted SS were buried.

Mike's autobiography, "Forgive Us Our Press Passes/Memoirs of a Veteran Washington Reporter" is an often humorous account of some of Mike's favorite stories and experiences as a political reporter.

I will miss the opportunity to get to know Mike better and I feel sympathy for all those who knew and loved him. His skilled reporting abilities will be missed by those who read the

July 20, 1993

news, but his wit and graciousness will be sorely missed by those he put in the news.

A TRIBUTE TO SIX OUTSTANDING NEW JERSEY CITIZENS

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay tribute to six outstanding public servants from Paterson: Dr. Allene Gilmore, Rev. Tracy Lind, Cecile Dickey, Waheedah Muhammed, James Henderson, and Dr. Frank Napier. These individuals, who have long deserved recognition, will be honored on July 24, 1993, by the United Missionary Church for their significant contributions to their community.

The honorees come from varied walks of life. Dr. Allene Gilmore is pastor of Gilmore Memorial Tabernacle, Rev. Tracy Lind is pastor of Saint Paul's Episcopal Church, Cecile Dickey is director of Headstart, Waheedah Muhammed is president of the Parent Teacher's Association, James Henderson is the owner and operator of McDonald's, and Dr. Frank Napier is the former superintendent of schools for the city of Paterson.

These six individuals have spent their adult lives providing guidance to the youth of our community. They have always been available to those who have needed them and have succeeded in making our community a better place. They are heroes in the face of adversity, conquering many of Paterson's problems with their courage.

Mr. Speaker, I am pleased to have such civic-minded individuals in the Eighth Congressional District, and I want to make certain that these citizens receive the appreciation which they deserve. I ask my colleagues to join me in honoring Dr. Allene Gilmore, Rev. Tracy Lind, Cecile Dickey, Waheedah Muhammed, James Henderson, and Dr. Frank Napier for their dedicated service to the community of Paterson.

TRIBUTE TO MIKE BUSH

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. TALENT. Mr. Speaker, I rise today to honor Mike Bush, sportscaster for KSDK Channel 5 in St. Louis, MO. Mr. Bush is being awarded the 1993 Eagle Award, which is the city of Peter's most prestigious honor for his service to the community, and specifically for his commitment to the Mid-Rivers Chapel Baseball Field for the Hearing Impaired.

The 1993 camp has been opened nationally to all hearing impaired children and will attract people as far away as our Nation's Capital. The camp will feature baseball legend Stan Musial, who has been a major contributor to the camp from the beginning.

Mr. Bush is known for his efforts to support those worthy causes that enhance the lives of our young people; because of his dedication

to others, he has distinguished himself as a worthy recipient of this honor.

Mr. Speaker, again I commend Mr. Bush on his outstanding achievements and am grateful for his service. I wish him luck in his future endeavors.

DEPARTMENT OF THE INTERIOR
AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

SPEECH OF

HON. PETE GEREN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1993

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2520) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes:

Mr. GEREN of Texas. Mr. Chairman, I rise in opposition to Mr. DELAY's amendment to eliminate funding for the National Trust for Historic Preservation.

We created the trust to educate the public about our historic resources, what they mean and how to preserve them. It is the only national organization with this mission and this Federal grant is essential to its operations.

The \$7 million grant for the trust was requested by President Clinton and is subject to a matching requirement. In years past, the trust has far exceeded a 1-to-1 match from private sources and has very effectively leveraged private funds. This money will allow the trust to continue its public education, technical assistance and outreach work of seven field and regional offices across the country.

These offices provide a wide range of support to localities and nonprofit groups, as well as fund the maintenance and operation of 18 historic house museums across the country. This grant also enables the National Trust to dedicate a portion of privately raised funds to direct grants for much needed preservation projects such as deserted downtown neighborhoods and rural communities.

I want to make it very clear that none of this money will be used to fund new programs but instead will be used to save at-risk communities and outreach to new audiences.

The trust is a good example of a public partnership that works. It makes no sense to punish the National Trust because it is able to leverage its Federal grant by raising a substantial portion of its budget from the private sector. We should support and encourage public-private partnerships that work and I therefore ask that you join me in opposing Mr. DELAY's amendment.

LEGISLATION TO CHANGE WAY
PUBLIC BUILDING PROJECTS
ARE SCORED

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation that will overturn Fed-

eral budget scorekeeping rules for real estate transactions and allow the General Services Administration to aggressively pursue and propose to Congress the most cost-effective means to finance Federal building construction projects—resulting in a dramatic decline in the number of costly lease arrangements.

Mr. Speaker, the current Federal budget scorekeeping rules were established in 1990 as part of the Budget Enforcement Act of 1990. The rules require that the entire cost of a Federal construction project, or the cost of purchasing a building for use by a Federal agency, be scored in the first year of the project, rather than amortized over the actual construction period, or over the expected life of a purchased building. The end result is that operating leases have become the most attractive vehicle for GSA to meet the housing needs of Federal agencies—even though in the long-term it is the most costly.

Since becoming chairman of the Public Works and Transportation Subcommittee on Public Buildings and Grounds in January, I have been actively working to overturn this costly budget requirement—a requirement that has cost the U.S. taxpayer billions of dollars.

My legislation would amend the Public Buildings Act of 1959 to treat Federal real estate transactions in the same manner they were treated prior to the implementation of the 1990 Budget Act. The bill would, in effect, allow GSA to utilize alternative financing mechanisms, such as lease-purchases, to pay for new Federal construction projects. I am pleased that the hard working and thoughtful chairman of the Public Works and Transportation Committee, NORMAN Y. MINETA, is an original cosponsor of the bill, along with the ranking minority member of the Subcommittee on Public Buildings and Grounds, JOHN J. DUNCAN, JR., the vice-chair of the subcommittee, ELEANOR HOLMES NORTON, as well as my distinguished colleagues ROBERT A. BORSKI, and JOHN LEWIS.

Mr. Speaker, unlike the purchase of a tank, real estate purchases increase in value and are a source of revenue for the Federal Government. Congress cannot direct GSA to effectively oversee the Federal Government's housing needs, and at the same time severely restrict GSA's ability to act as a real estate manager. In the current real estate market, opportunities exist for GSA to negotiate an equity position in rental properties, such as below market purchase options, on favorable terms. However, the current scoring rules preclude GSA from taking advantage of these opportunities.

Federal agencies housed in federally owned facilities make annual market-based payments into the Federal building fund [FBF]. GSA uses the revenues from the FBF to pay for its capital improvement program which includes new construction, repair and alteration, building maintenance and lease costs. However, over the past several years budget rules have reduced the ability of GSA to use the revenue generated by the FBF in the most efficient manner. For example, the rules prohibit GSA from exercising a purchase option at the end of a long-term lease.

The end result has been increased costs for the U.S. taxpayer. No one in the private sector finances real estate projects the way the Fed-

eral Government does. My intention is to allow GSA to propose, on a project by project basis, all of the funding options available. This will allow the Committee on Public Works and Transportation to not only authorize GSA building projects, but also approve the most cost-effective way to finance these projects.

In 1975 GSA's leased-space inventory was 86 million square feet and its annual leasing budget was \$388 million. In fiscal year 1992, the leased space inventory had grown to 118 million square feet with an annual rental cost of \$1.7 billion. During this same period, the ratio of Government-owned to leased space declined from 64 percent in 1975 to 54 percent in 1992. A December 1989 report issued by the General Accounting Office analyzed 43 projects that GSA might have undertaken if capital financing were available to replace space that GSA would otherwise lease. GAO estimated that, over a 30-year period, constructing the 43 projects instead of leasing, would have saved taxpayers \$12 billion.

Knowing that below-market purchase options, time-financing, and other nonoperating lease arrangements are subject to up-front-scoring requirements removes all incentive for GSA to pursue them. The current scoring rules have forced GSA to pay more attention to accounting rules than to how to most effectively spend the Federal tax dollar and take advantage of market conditions.

Mr. Speaker, I urge all of my colleagues to support this long overdue and much needed legislation.

TRIBUTE TO MYRON "MIKE"
WALDMAN

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. KING. Mr. Speaker, I rise today to honor a good friend and a familiar figure in the Halls of Congress. Yesterday, the Members of this body lost a friend, when Myron "Mike" Waldman passed away after a brief illness. As a Washington correspondent for Long Island's Newsday, Mike was well known for his professionalism, his good humor, and his warmth.

For 25 years, Mike covered the Nation's Capital with style, flair, accuracy, and fairness. He was well respected by both his peers in the media and the elected officials that he wrote about. His passing is a severe loss to both the Washington press corps and the Congress.

I considered Mike a close friend, and an all-too-rare ally at Newsday. I am deeply saddened by Mike's passing and I'd like to take this opportunity to extend my deepest condolences to his wife Jean, his sons Morris, Daniel, and Lawrence, and his sister Elaine.

SUPPORT FOR H.R. 688

HON. THOMAS W. EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. EWING. Mr. Speaker, I would like to take this opportunity to express my strong

support for H.R. 688, the Sexual Assault Prevention Act. I would also like to commend my colleagues Representative MOLINARI and Representative KYL for their leadership in regard to this important matter.

A forcible rape is committed every 6 minutes in our country. Department of Justice figures show a 59 percent increase in the number of rapes in 1991 alone. In addition, every year some 3 to 4 million women become the victims of domestic violence. A glance through any local newspaper shows that any woman can find herself the victim of a violent sexual crime. Women are no longer safe in school hallways, on jogging paths, even in their own homes.

It is time for Congress to work toward the improved prosecution of sexual offenders and to empower women against sexual violence. The Sexual Assault Prevention Act would increase the penalties for sex crimes, including sex offenses committed against victims under the age of 16, and the death penalty for murders committed by sex offenders. Penalties would also be established for interstate travel to commit spouse abuse or to violate a protective order. Additionally, HIV testing would be required of persons accused of sexual assault.

The bill also takes steps toward protecting women from sexual assault on college campuses by directing the Attorney General to provide a national baseline study on campus sexual violence. A National Task Force on Violence Against Women would be established to study and make recommendations in regard to sexual assault. The task force would place an emphasis on law enforcement and victim-oriented measures.

Combating violent crime against women should be a top priority for our country. We must demonstrate that such horrifying and violent crime is unacceptable. It is time to not only assist those women who are victims of sexual assault, but to help prevent and protect other women from becoming victims.

Mr. Speaker, I am glad to cosponsor H.R. 688 and urge my colleagues to support this bill. Also, I strongly encourage the Clinton administration and the House Judiciary Committee to include these provisions in any crime control legislation under consideration during this Congress.

ALASKAN OIL: DON'T EXPORT A VITAL RESOURCE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Ms. SNOWE. Mr. Speaker, in 1973 Congress opened Alaska's North Slope [ANS] for oil production in 1973, insisting then that the crude oil drawn from that slope be consumed in the United States unless the export of that oil was shown to be in the national interest. Section 7(d) of the Export Administration Act of 1979, as amended, contains the current restrictions on exports of Alaskan crude oil.

Congress has consistently and overwhelmingly supported the ANS crude oil export restrictions since 1973. Today, all of the nearly 1.7 million barrels per day of ANS production,

representing over 25 percent of total U.S. crude output, is consumed domestically.

Our dependence on imported oil is well-documented and will only grow if U.S. production decreases. We should not, and cannot, make this situation worse by exporting our largest source of domestic production. Energy self-sufficiency remains just as critical a goal for the United States now as it was 20 years ago.

The prohibition on Alaskan oil exports has national security implications as well. Since the chief source of our imports is the unstable Persian Gulf region, the United States would be even more dependent on this region for such a precious resource. Dependence upon imports would also force the creation of a larger Strategic Petroleum Reserve at considerable additional costs to the Federal Government.

The export of Alaskan oil would have a significant and negative impact on the U.S. maritime and ship supply industries. Currently, the shipping of domestic oil can only be carried out by U.S. firms. Were this oil to be exported, foreign tankers would take over this market. The result would be job losses within the industry and a reduction in our strategically important domestic tanker fleet. Consequently, this bill enjoys broad support by labor, consumer, and maritime organizations.

Alaskan oil export restrictions have promoted national energy security by reducing U.S. reliance on Middle Eastern oil supplies. They have also encouraged substantial investments in an efficient transportation infrastructure to move Alaskan crude oil to domestic markets. Last, Mr. Speaker, but surely not least, they have saved consumers billions of dollars at the gas pump.

For these reasons, I am an enthusiastic original cosponsor of this legislation introduced today that will amend the Export Administration Act of 1979 to extend indefinitely the current provisions governing the export of certain domestically produced crude oil.

EVERYDAY USES OF ZINC

HON. DAVID A. LEVY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. LEVY. Mr. Speaker, a young lady from my congressional district, Sheila Rudy, is the winner in the grade 7-9 category of the National Zinc Essay Contest sponsored by the U.S. Bureau of Mines and the American Zinc Association.

Sheila is a 7th grader from Garden City, NY. Her essay was judged best out of hundreds submitted from across the Nation.

Mr. Speaker, I would like to submit her essay, entitled "Everyday Uses of Zinc," into the CONGRESSIONAL RECORD to share with my colleagues.

The essay follows:

EVERYDAY USES OF ZINC

(By Sheila Rudy)

We can find zinc in almost everything we do. Zinc is a shiny blue and white metal. It is hard and brittle at room temperature. Zinc is found in many alloys, including brass, bronze, and German silver. Zinc is also

in many solders, like aluminum solders and fusible solders. Zinc is not hard to find in the earth's crust. There are many zinc deposits all over the world. There are small deposits of zinc in the oceans. To find out how we use zinc every day, let's follow Jane Doe as she discovers how she uses zinc in her usual daily life.

The first thing Jane does is, of course, breathe. Zinc occurs naturally in the air around us. Next, she slowly rises from her beautiful brass bed. Brass is an alloy made of copper and zinc. Some brass is 40% zinc.

After walking to her bathroom, she turns on the light. Zinc sulfide glows yellow under ultraviolet light. When you mix this and barium platinocyanide which glows blue, you get a fluorescent light. She then gets dressed and puts on her new gold necklace and ring. Zinc shavings are used in recovering gold from the earth's crust. The gold is melted in a solution of potassium and then mixed with zinc shavings to form a sludge. The sludge is flushed out with water. The gold is then dried. This is called cyanide process. When Jane had her ring fixed it had to be soldered. Zinc is in many solders.

Finding that she is late for work she quickly takes her vitamins and rushes out the door and down her wooden porch steps. Zinc is found in many vitamins. The Recommended Daily Allowance for zinc is 15 milligrams. Zinc is essential for normal

Jane races to work in her car. Jane's car contains around 20 pounds of zinc die-castings. Zinc is being used more often in automobiles because it allows manufacturers to advertise extended corrosion protection.

She rushes into her office building only a few minutes late. Her building is made of stone. Recently bronze, an alloy made of zinc, copper, and tin, has been used to key stones together. The buried steel structure under the building was probably coated with zinc.

Jane's boss hands a letter to type up that he has dictated on his pocket tape recorder. Jane pops the cassette into her walkman and begins typing. Jane's walkman and her boss' tape recorder are run by battery. Many batteries now have zinc in them rather than mercury.

One of Jane's co-workers brings in his new born baby to show off. He tells Jane about the terrible diaper rash the baby had. The baby's doctor prescribed an ointment that contained zinc.

At lunch Jane goes downstairs to the cafeteria to eat. Jane buys a salad, soup, and an ice-tea. Did you know that the penny is 98% zinc! And Jane, there better be some zinc in that meal. Among other things, zinc deficient humans tend to lose their hair and their sense of smell. Since Jane is diabetic, she must take her shot of insulin. Zinc can be found in insulin. It is also in red blood cells. Zinc also plays a part in normal growth.

Jane looks out the window and sees that it is raining. Rain is pouring out the roof gutters. Zinc is used to galvanize iron and steel so it won't rust. Many things, including roof gutters are galvanized. Zinc can protect steel for years with hardly any maintenance.

On her way home from work Jane stops at a toy store to get her nephew a birthday present. She wants to get him a toy car. Zinc is used in die-casting toys, hardware, and appliances.

After a hard day at work Jane returns home. When she gets home she notices the paint on her dining room wall has started to fade and crack. Soon she will have to get it repainted. Zinc oxide is used in making

many paint pigments. Zinc oxide is the most important commercial compound. Zinc oxide is also used in rubber. Other uses of zinc oxide is in ceramics, coated fabrics and textiles, floor coverings, and it guards noses from the sun's harmful rays.

Jane came home with a terrible headache. She takes an aspirin for it. Many medicines and pharmaceuticals contain zinc. Jane decides to turn on her television set and watch the news. The inside of the television screen was coated with zinc sulfide because it glows under ultraviolet light.

After watching the news she waters her plants and feeds her cat. Zinc occurs naturally in water and soil. Plants and animals need zinc just as humans do. Zinc deficient trees sometimes get leaf diseases. Zinc can be found in pet food, animal feed, and fertilizers.

After dinner Jane decides to go to sleep. She goes into her bathroom and washes up. Zinc is used in many soaps and skin treatments. Zinc is used to protect gas and water lines. The metal pipe being protected is electrically connected to the zinc. This is called cathodic protection. After a long day, Jane decides to get into her pajamas and go to bed early.

As you can see, zinc is used in much of what we do every day. This was only one day. The average American will use 730 pounds of zinc in his or her lifetime. Most people do not know that they use zinc so many times during the day. Zinc is the second most common metal in the body, next to iron. Zinc is placed third in most used non-ferrous metals, after aluminum and copper.

Zinc is very important in our daily lives and we are finding out more ways to use it every day. The United States Bureau of Mines predicts that the total amount of zinc produced from just 1976 to 2000 will be more than the total amount produced before 1976.

People are not aware of the many minerals they use every day. Zinc is very important to society. With technology advancing like it is, who knows what we will be using it for in the future? People should be aware of the discoveries made using these resources so that we can make the most of them. As you can see we have been doing that with zinc for a while.

TRIBUTE TO THE INDUSTRY
COUNCIL FOR TANGIBLE ASSETS

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. HAYES. Mr. Speaker, today I pay tribute to the Industry Council for Tangible Assets [ICTA] on the occasion of its 10th anniversary representing rare coin, banknotes, and precious metals dealers.

This organization held its first meeting on July 7, 1983, in Washington, DC, and since then has become nationally known as the organization that provides Congress, the administration, and the regulatory agencies with information on the needs and concerns of rare coin and precious metals dealers across our country.

The great majority of coin, currency, and bullion dealers own one-person or "mom and pop" shops, the very types of businesses that still constitute the foundation of this country's economic greatness. These small businesses

have been especially hard-hit recently but have trimmed costs, merged, and made great sacrifices to stay in business demonstrating the vitality that is also part of the American dream. Despite great hardship and increased security concerns, these dealers have persevered in their role as guardians of our country's historic legacy represented its media of exchange—our coins and paper currency. They also seek to preserve and promote for posterity noble and meaningful designs on our current coinage. Although we often take our coins for granted, these metallic time capsules endure as an historic legacy for future generations.

ICTA has worked with the Congress and agencies such as the U.S. Mint, U.S. Postal Service, and IRS to increase understanding of the rare coin-precious metals industry's needs and concerns and to help develop new products and services of interest to the public. ICTA has dealt fairly and openly with governmental agencies, and the suggestions it has offered have provided efficient solutions to a number of our regulatory concerns while minimizing the burden on these small businesses.

ICTA provides a valuable service both to governmental agencies and to the industry by helping to educate these small, often unsophisticated, businesses on new regulations. It acts as a clearinghouse and disseminates material and other relevant data to help promote industry-wide awareness.

Managed by a paid staff of only two and a dedicated volunteer board of directors, ICTA crystallizes the great American spirit of voluntarism, small business, entrepreneurialism, cooperation, and creativity that built this country. As President George Bush stated in his letter to ICTA on the occasion of the organization's third annual conference:

Since its formation in 1983, ICTA has rapidly grown to meet the needs of the precious metals and bullion coin industry. By distributing information to government agencies * * * ICTA has proved itself as a valuable asset to this important industry. Your leadership efforts in behalf of precious metals and bullion coin markets continue to contribute to our investment industry.

Mr. Speaker, I ask my colleagues in the U.S. House of Representatives to join with me in congratulating the Industry Council for Tangible Assets on its 10th anniversary and wishing this fine organization many more years of successful work on behalf of the rare coin, banknotes, and precious metals industry.

COMMUNITY INVESTMENT DEMONSTRATION ACT OF 1993 INTRODUCED

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. GONZALEZ. Mr. Speaker, today I am joined by Congresswoman MARGE ROUKEMA in introducing the Community Investment Demonstration Act of 1993, legislation that is designed to encourage investment by pension funds into the construction and rehabilitation of critically needed housing for low-income families.

This legislation was developed in close cooperation between the Committee on Banking, Finance and Urban Affairs, specifically the Subcommittee on Housing and Community Development [HUD], which I chair, and the Secretary of the Department of Housing and Urban Development, Henry Cisneros. The Secretary, and other public witnesses, testified regarding their support for this legislation at a subcommittee hearing held on June 16, 1993.

The legislation would set aside \$100 million from incremental section 8 rental certificates in fiscal year 1994 in order for HUD to carry out a Community Investment Demonstration Program on behalf of low-income families residing in housing that is constructed, rehabilitated, or acquired pursuant to a loan or other financing from pension funds. The program would apply to housing that is: First, a multifamily housing project owned by HUD, or subject to a HUD mortgage that is delinquent, under a workout agreement or under foreclosure; second, designated a severely distressed public housing project; third, a multifamily housing project eligible for assistance for troubled projects; fourth, a multifamily housing project located in an empowerment zone or enterprise community; or fifth, any other multifamily housing project, including a project to be occupied by homeless persons or families. Also, this program is designed to provide for the acquisition, rehabilitation, and new construction of affordable housing units for low-income Americans.

HUD estimates that the \$100 million authorized under this legislation would provide up to 3,000 section 8 rental certificates to be used as project-based assistance by low-income renters in assisted housing projects constructed or rehabilitated by loans or other financing from pension funds.

I want to make clear that what we are doing by this legislation is simply providing an investment opportunity for pension funds—an investment that will help address the current need for low-income housing.

Moreover, I would like to note that I, along with the ranking minority member of the housing subcommittee, Congresswoman MARGE ROUKEMA, have consulted with the House Education and Labor Committee with regard to any potential impact of this legislation on the fiduciary responsibilities of pension funds.

I am aware of the fiduciary responsibilities of pension plans with regard to their assets and investments under Federal and State law, and that these funds represent the hard-earned retirement savings, held in trust, of millions of workers and retirees. In order to insure that this legislation is consistent with existing law with regard to pensions, the recommendations of the House Education and Labor Committee have been incorporated into this legislation. Specifically, the legislation provides that nothing in the demonstration program is to be construed to authorize any action or failure to act, by a pension fund, that would constitute a violation of the Employee Retirement Income Security Act of 1974 [ERISA], the Federal law governing pensions. In addition, in order to minimize any concerns regarding investment risk, language has been added to insure that existing standards for securitization of mortgages, for those who participate in the program, are met.

I would like to emphasize that this bill is entirely within the jurisdiction of the House Banking, Finance and Urban Affairs Committee, and its Subcommittee on Housing and Community Development, because it authorizes HUD section 8 rental assistance to be used for projects which may have investment by pension funds.

I believe that the critical state of this Nation's low-income housing and community development needs, require us to try to find new and innovative ways of addressing this situation. While I believe that the Federal Government maintains a principal role and responsibility in this area, we must also facilitate private investment in the revitalization of this Nation's cities, and other areas in need. The legislation we are introducing today, by providing a minimal amount of HUD assistance to essentially leverage public and private pension fund investment for the construction and rehabilitation of low-income housing, is a small but important beginning to this process.

SHORT SUMMARY OF COMMUNITY INVESTMENT DEMONSTRATION ACT OF 1993

This legislation sets aside \$100 million from Section 8 rental certificates, in Fiscal Year 1994, for the Department of Housing and Urban Development (HUD) to carry-out a five year demonstration program on behalf of low-income families residing in housing that is constructed, rehabilitated or acquired pursuant to a loan or other financing from pension funds.

The program applies to housing that is: (1) a multifamily housing project that is HUD-owned or subject to a HUD mortgage that is delinquent, under a work-out agreement or under foreclosure; (2) designated a severely distressed public housing project; (3) a multifamily housing project eligible for assistance as a "troubled project"; (4) a multifamily housing project located in an empowerment zone or enterprise community; or (5) any other multifamily housing project, including a project to be occupied by homeless persons or families. This program is also designed to provide for the acquisition, rehabilitation and new construction of affordable housing units for low income Americans.

HUD will select eligible housing for assistance under this program from applications submitted jointly by housing owners and pension funds. The applications are to include a description and the location of the housing, the terms of financing by the pension fund, the amount of assistance requested, and such other information as HUD may require.

Of the amounts made available in each fiscal year for assistance under this demonstration program, a significant amount may be used in connection with HUD's multifamily property disposition program.

The legislation provides that nothing in the demonstration program is to be construed to authorize any action or failure to act, by a pension fund, that would constitute a violation of the Employee Retirement Income Security Act of 1974 (ERISA), the federal law governing pensions.

The General Accounting Office is required to submit two reports to Congress evaluating the effectiveness of the demonstration program, the first within two years of enactment, and the second within six months of the termination of the program. HUD is also required to submit annual reports to Congress on the activities carried out under the program.

HUD is required to issue any regulations necessary to carry out this program within 45 days of enactment.

HUD estimates that the \$100 million authorized under this legislation will provide up to 3,000 Section 8 rental certificates to be used as project-based assistance by low-income renters in assisted housing projects constructed or rehabilitated by loans or other financing from pension funds.

SECTION-BY-SECTION SUMMARY COMMUNITY INVESTMENT DEMONSTRATION ACT OF 1993

SEC. 1. SHORT TITLE

Provides that this Act is to be cited as the "Community Investment Demonstration Act."

SEC. 2. SECTION 8 COMMUNITY INVESTMENT DEMONSTRATION PROGRAM

Authority.—Authorizes the Department of Housing and Urban Development (HUD), using amounts available pursuant to section 5(c)(7)(B)(ii) of the United States Housing Act of 1937, to carry out a demonstration program to provide project based rental assistance under the Section 8 program of behalf of low-income families residing in housing that is constructed, rehabilitated, or acquired pursuant to a loan or other financing from an eligible pension fund. Provides that nothing in this provision is to be construed to authorize any action or failure to act, by an eligible pension fund, that would constitute a violation of the Employee Retirement Income Security Act of 1974, notwithstanding section 514(d) of that Act.

Contract Terms.—Requires that the assistance to be provided under the demonstration is to be project-based assistance pursuant to a contract entered into by HUD and the housing owner that (1) provides such assistance for a term of not less than 60 months and not more than 180 months; and (2) provides that the contract rents for dwelling units in the housing shall be determined by HUD, taking into consideration costs for construction, rehabilitation or acquisition of the housing. Provides that the contract rent may not exceed that permitted under existing law.

Eligible Housing.—Provides that housing eligible for assistance includes: (1) a multifamily housing project owned by HUD, or subject to a HUD mortgage that is delinquent, under a workout agreement, or under foreclosure; (2) designated a severely distressed public housing project; (3) a multifamily housing project eligible for assistance for troubled projects; (4) a multifamily housing project located in an empowerment zone or enterprise community; or (5) any other multifamily housing project, including a project to be occupied by homeless persons or families. Requires HUD to determine: (1) that the owner has obtained satisfactory financing commitments from an eligible pension fund for the construction, acquisition or rehabilitation of the housing; (2) that the mortgage for the housing meets such standards regarding securitization and such additional standards regarding financing as HUD may establish; (3) that, with regard to housing that is to be constructed, the owner has provided reasonable assurances for site control; (4) the housing complies with environmental laws and regulations; (5) the construction, rehabilitation, or acquisition of the housing is not inconsistent with the approved comprehensive affordability strategy.

Applications.—Requires housing owners and pension funds to jointly submit applications for assistance under this demonstration program. Requires the application to include a description and the location of the housing, the terms of financing by the pension fund, the amount of assistance re-

quested, and such other information HUD may require.

Selection and Determination of Assistance.—Requires HUD to select eligible housing for assistance from the applications submitted, and determine the amount of assistance to be provided.

Relation to PHA Project-Based Limit.—Provides that project-based assistance under this demonstration program will not be subject to requirements in section 8(d)(2)(A) or (B) of the 1937 Housing Act that limit a public housing authority (PHA) to a 15% set aside of its Section 8 unit allocation for project-based assistance.

Use in Property Disposition Program.—Provides that notwithstanding any provision of section 203 of the Housing and Community Development Amendments of 1978, assistance provided in connection with the disposition of a multi-family housing project under that section, may have a contract term of less than 15 years, if that assistance is provided under a contract under this demonstration program pursuant to a disposition plan otherwise in compliance with the requirements of section 203. Provides that, of the amounts made available in each fiscal year for assistance under this demonstration program, a significant amount may be used in connection with the property disposition program under section 203 of the Housing and Community Development Amendments of 1978.

Reports.—Requires the General Accounting Office to submit two reports to Congress evaluating the effectiveness of the demonstration program, the first within two years of enactment, and the second within 6 months of the termination of the program. Requires HUD to submit an annual report to Congress summarizing the activities carried out under the program, describing the housing assisted and the amounts of assistance provided, and including any findings and recommendations.

Definitions.—Defines "eligible housing" as referenced above under section on eligible housing. Defines a pension fund eligible for this demonstration program as: (1) a trust, fund, or other program established or maintained by any employer or other person for the purpose of providing income or benefits to employees after the termination of employment or deferring income by employees until after the termination of employment; or (2) other entity that invests principally the amounts of any trust, fund or plan.

Regulations.—Requires HUD to issue any final regulations necessary to carry out this program within 45 days of enactment.

Termination Date.—Prohibits HUD from entering into any new commitment to provide assistance under this program after September 30, 1998.

Funding.—Amends Section 5(c)(7)(B)(ii) of the 1937 Housing Act to provide not more than \$100 million for this demonstration program, in Fiscal Year 1994, out of incremental Section 8 rental assistance.

A TRIBUTE TO ROBERT S.
BRICKLEY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of my good friend, Bob Brickley of Redlands, CA.

Bob is retiring after a long and distinguished career in law enforcement, including 16 years as the chief of police in Redlands.

Bob Brickley, who holds a B.S. degree in sociology and a masters degree in public administration, first entered police service in 1964 following a 5-year enlistment in the U.S. Marine Corps. He began his career as a police patrol officer with the Menlo Park Police Department and quickly rose through the ranks receiving promotions to the positions of detective, 1967; patrol sergeant, 1969; lieutenant, 1971; and captain/deputy chief of police, 1974. In 1977, Bob joined the Redlands Police Department as the chief of police.

As the longest tenured police chief in the department's history, Bob leaves an outstanding legacy. During these 16 years, he established a program of participatory management and increased the performance and professionalism of the department. Over the years, his efforts have greatly improved the relationship between the department and the community it serves so effectively. The establishment of Neighborhood Watch, Block Parent, Talking Police Car, Bicycle Safety, and many other programs are evidence of his commitment to public safety. To say the least, his work has been deeply felt and appreciated. All of us who make Redlands our home are grateful to Bob for his commitment and service.

Bob has been appropriately recognized for his many achievements having received the City of Redlands Meritorious Service Medal in 1983, the Knight Commander from the Order of Michael the Archangel award, and the John Edgar Hoover Medal for Public Service from the American Police Hall of Fame in 1991.

Mr. Speaker, I ask that you join me, our colleagues, and Bob's family and friends in honoring him for his many years of dedicated service to our community. His contributions have made our city a much better, safer place to call home. It is fitting that the House recognize Bob Brickley today.

TRIBUTE TO HELEN WOODS COOK

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. TRAFICANT. Mr. Speaker, I rise in honor of Helen Woods Cook, a generous donor of talents and time in my 17th Congressional District in Ohio.

Mr. Speaker, on Sunday, June 26, 1973, the city of Youngstown celebrated Helen Woods Cook Day. This tremendous honor was bestowed on Mrs. Cook for her 50 years of tireless effort on behalf of the community in which she was born and raised. In fact, 2 weeks after graduating from Rayen High School, she began volunteering for the N.A.A.C.P. membership drive and soon became an active member. After marrying Mr. Foort Cook in 1948, she raised four beautiful children, Curtis Daniel, Rose Sharon, Foort Edward, and Artell Brian Cook.

During the 1960's, Helen was president of the "Grass Roots" auxiliary corp, which was actively involved in the March of Dimes Community Chest and Community Action Centers

of Youngstown. She later served on the Northside Action Center and its community action council, the legal assistance board and the Gilead House. She was board member and president of the house. Since 1973 she has held the position of case manager at the mental health board, working at the adult center as a liaison between the center and various agencies, schools, churches, and courts.

After observing her incredible efforts, the Y.W.C.A. nominated her for Woman of the Year in 1983. Meanwhile, the Ohio Business and Professional Women's Club, Inc., honored her with their Woman of the Year award that same year.

What I find even more impressive, Mr. Speaker, is that Mrs. Cook is a renowned gospel singer. After making her singing debut at the age of 3, Mrs. Cook has since showcased her talents for some of the most powerful people in the world, including Presidents John F. Kennedy, Lyndon B. Johnson, and Jimmy Carter.

Mr. Speaker, I join the citizens of my district in congratulating Mrs. Cook on her exemplary career. Her unselfish dedication to the people of my community has enhanced their lives, and I am fortunate to have her in my district.

TRIBUTE TO BRENDAN DANIEL MICHAELIS

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. KING. Mr. Speaker, I rise today to welcome a constituent to New York's Third Congressional District, Brendan Daniel Michaelis, who was born at 9 p.m. on Monday, July 19, 1993. Brendan Daniel, born to Robert and Deborah Michaelis of Long Beach, weighed in at 7 pounds and 9 ounces. I am pleased to take this opportunity to offer my warm personal congratulations to the proud parents and their families.

IN HONOR OF THE FIRST ARME- NIAN PRESBYTERIAN CHURCH OF FRESNO

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Ms. ESHOO. Mr. Speaker, I offer my sincere congratulations to the First Armenian Presbyterian Church of Fresno as it celebrates the 96th anniversary of its founding. As an American of Armenian descent I am especial proud to send my best wishes to the more than 300 members of the church community as they honor this historic occasion.

The First Armenian Presbyterian Church of Fresno was the first Armenian church organized in the State of California. The church had its origins in the Armenian Ladies' Patriotic Society which supported orphans, ministers, and other men and women in Armenia.

On July 25, 1897, 34 men and women met in a hall in Fresno and formally organized the

church. It was appropriately recognized and enrolled in the fellowship of Presbyterian churches. Since then, the church has grown from 34 charter members to 374. The Sunday school and four Bible study groups provide Christian education to believers of every age. Fellowship groups serve the needs of both the young and old Armenian speaking men and women residing in the area.

Nearly 100 years after the founding of the First Armenian Presbyterian Church in Fresno, the church continues to meet the needs of its members and the surrounding Armenian community. I urge my colleagues to join with me in congratulating the First Armenian Presbyterian Church as it embarks on a new era.

IN HONOR OF TSUYOSHI KAWANISHI, KATSJI MINAGAWA, AND HIROMU FUKUDA

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Ms. ESHOO. Mr. Speaker, in this time of controversy over trade practices and closed markets, it is a great pleasure to recognize the efforts of three Japanese businessmen who are assisting United States companies in learning to compete in the Japanese markets.

These three men, Tsuyoshi Kawanishi of Toshiba, Katsji Minagawa of NEC Electronics, and Hiromu Fukuda of Hitachi Semiconductors, under the auspices of SEMICON/West, will be teaching United States companies about Japanese market potential, how to do business with Japanese companies, and how to access Japanese markets.

In this time when markets are becoming increasingly global and all nations are tied together, this type of assistance and cooperation are vital. When executives of major international companies come together to teach others about their customs and ways of operation, we know we have entered a new era of global cooperation. It is in forums such as this that real strides are made in understanding.

The benefits of such cooperation and understanding are also global. By opening markets, consumers and companies will reap the benefits of broader selection and greater specialization of goods and services. By sharing expertise, each company can operate more efficiently, reducing waste, and providing greater return to both stockholders and buyers.

I salute these men and all the others who are making it their quest to bring the companies and the countries of this world together. Their activities embody the best in global cooperation, and we all are richer for their efforts.

TRIBUTE TO STUDENTS AGAINST GLOBAL ABUSE

HON. LESLIE L. BYRNE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Ms. BYRNE. Mr. Speaker, I rise today to commend and congratulate a group of young

environmentalists in the 11th District of Virginia. Students Against Global Abuse, an environmental group begun at Herndon High School, was recently featured in a primetime network television program that highlighted their spectacularly successful communitywide recycling effort.

SAGA began 3 years ago as a recycling initiative between Herndon High School and the Herndon Chamber of Commerce. A group of Herndon High School students, with their adviser Gary Gepford, have cultivated SAGA into an environmental powerhouse in northern Virginia. Today the program involves 100 children in 25 schools, and their sponsors include more than 150 local small businesses and large corporations.

Each year in America, 80 million tons of municipal waste is dumped into rapidly disappearing landfills. The SAGA kids are looking beyond this simplistic approach; toward the time when digging a hole and filling it up is no longer an option. This program has diverted 150 tons of recyclable materials from the waste stream by collecting white paper, cardboard, newspaper, and aluminum from schools and local businesses. SAGA members visit area businesses to instruct workers on what is recyclable. Their efforts have conserved 2,500 trees and 520,000 kilowatt hours, and saved over \$7,000 in local landfill fees.

Proceeds from their recycling goes into a scholarship fund. In the past 3 years, 17 Herndon High School students have shared \$12,000 in SAGA scholarships to study environmental science. Recently SAGA was commended as the best high school environmental program in the country by the Anheuser-Busch Corp. The national environmental award they received provided an additional \$12,500 for SAGA's scholarship fund. Their efforts have not only helped to preserve and protect our environment, but have also given many kids the financial ability to attend college.

It is heartening to me to see young persons take an active interest in issues of great importance to our Nation. I am confident that the SAGA students are the movers, shakers, and leaders of our future. We can all learn a lesson from these wonderful young people.

DEPARTMENT OF VETERANS AFFAIRS INDICATED SUPPORT FOR H.R. 2647

HON. MIKE KREIDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. KREIDLER. Mr. Speaker, last week, I introduced H.R. 2467. This legislation will provide for the survivors of Servicemen's Group Life Insurance [SGLI] members who died while faithfully serving their country, and to ensure a more instantaneous and equitable effective date for changes to SGLI. Today I received a letter indicating the Department of Veterans Affairs' strong support for H.R. 2647. I am very appreciative of Secretary Brown's support and am pleased that the Office of Management and Budget has advised that there is no objection from the administration.

This legislation is a matter of equity and fairness, and demonstrates the Governments good-faith commitment to the families of service men and women who served their country with honor. I am hopeful that with the Secretary's and administration's support we can quickly move this legislation. I urge my colleagues to review Secretary Brown's letter that follows:

THE SECRETARY OF
VETERANS AFFAIRS,
Washington, DC, July 20, 1993.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.
DEAR MR. CHAIRMAN: I am writing to express the Department of Veterans Affairs' strong support for H.R. 2647, a bill "to provide that the effective date of any changes in benefits under the Servicemen's Group Life Insurance program shall be based on the International Date Line."

The Veterans' Benefits Act of 1992, Pub. L. No. 102-568, §201 (1992) amended section 1967, title 38, United States Code, by providing that eligible service members may, upon application, obtain increased coverage under their Servicemen's Group Life Insurance (SGLI) policies in the amount of \$100,000 or any lesser amount evenly divisible by 10,000. Under section 205 of the Act, the effective date of this amendment to section 1967 was December 1, 1992.

H.R. 2647, introduced by Congressman Kreidler July 15, was prompted by two Air Force Crashes which occurred in Montana and Texas on the evening of November 30, 1992, according to the standard time of the zone in which the service members were located, which is prior to the effective date of Pub. L. No. 102-568. The crashes resulted in the deaths of 17 service members. Additionally, ten other service members are believed to have died on November 30, 1992. We have determined these deceased service members were not entitled to the increased SGLI coverage under Pub. L. No. 102-568, because of the Uniform Time Act of 1966, §4(b), 15 U.S.C. §262, which provides in effect that the time for determining when a right accrues under any federal statute is the United States standard time of the zone where the person entitled to the right is located. The service members who died in the Air Force crashes, therefore, are not entitled to the increased SGLI coverage under Pub. L. No. 102-568 because they died prior to 12:00 a.m. on December 1, 1992, according to the standard time of the zone in which they were located.

As a matter of equity, we believe that all service members should be eligible for the increased SGLI coverage at the same moment. Under H.R. 2647, any individual who had applied for the additional coverage and whose death occurred on or after December 1, 1992, as determined by the International Date Line, would be covered.

We do suggest one minor modification of the bill which would make clearer that it is intended that insurance-law amendments become effective when the statutorily prescribed dates first begin just west of the date line. We recommend the words "date and time immediately west of the" be inserted before "International Date Line" in the proposed new 38 U.S.C. §1967(f).

We are as yet uncertain as to how many of the 27 deceased service members had applied for the increased SGLI coverage. However, H.R. 2647 would result in additional costs to the SGLI Contingency Reserve Fund of up to \$100,000 for each service member who had applied for the increased SGLI coverage. Cur-

rent analysis indicates that the pay-as-you-go effect of this legislation is zero.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this report on H.R. 2647 to the Congress.

Sincerely yours,

JESSE BROWN.

MAKING HIGH-PERFORMANCE TECHNOLOGY THE NEXT MISSION TO THE MOON

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. SABO. Mr. Speaker, a recent column in Federal Computer Week made some excellent recommendations for America's national technology agenda. In it, Mr. Jim Leto suggested that our technology agenda should be focused on a single objective, one that touches the lives and captures the imaginations of all Americans. Mr. Leto is chief executive officer of PRC Inc., a systems integrator with headquarters in McLean, VA, and over 7,000 employees nationwide. In the column he states the reason our current major technology initiatives, space station *Freedom*, and the superconducting super collider, have difficulty maintaining funding, "they have never had a clearly defined mission that was communicated strongly and boldly to the public or to Congress." Mr. Leto also states that the public, whose money supports these programs, and we legislators, who must approve the programs and allocate funds to them, have never been told clearly why we need these projects.

Mr. Leto believes that America's next major technology initiative, if it is to succeed, must be presented as our next "mission to the moon," something that will excite the American people and prove itself worthy of our support. Mr. Leto's suggestion for this project is based on our Nation's most vital asset—our schools. All of us can agree that our schools are worthy subjects of a major national initiative. I find much that is praiseworthy in this article and feel it is deserving of all our attention. My compliments to Mr. Leto for his imagination and foresight.

Mr. Speaker, the text of Mr. Leto's article follows:

[From the Federal Computer Week, May 24, 1993]

MAKING HIGH-PERFORMANCE TECHNOLOGY THE NEXT "MISSION TO THE MOON"

(By Jim Leto)

A new language is emerging in the federal technology landscape, a language of high-performance computing, information infrastructure and new technology initiatives. Not surprisingly, it comes with a new set of acronyms: HPCC, NREN, NII and NTL. Together, the language and its acronyms embody a new vision for the information technology industry.

The vision calls for the creation of huge national networks capable of transmitting vast amounts of data instantly to hundreds of thousands of points across the country. It also includes the development of advanced technologies to build the networks and a

change in direction for the industries driving this revolution.

Those who claim some proficiency in this language have an obligation to see that the vision is properly focused. We have an obligation to help the public understand it because only then will policy makers at all levels of government be able to support its growth. But make no mistake about it, this growth will not be inexpensive.

Because this vision will require the investment of billions of public and private dollars—reaching into the wallets of every American household—private citizens need to know why and how their money will be spent. So far, we don't have that justification—at least, not to the extent that's needed.

Part of the problem lies with the fact that this "technology visions" is not clear. The ultimate place we want to be has not been targeted.

CASE STUDY OF SUCCESS

Compare three mega-initiatives of the recent past; one that succeeded and two that are still struggling.

In 1961 President Kennedy told the nation that the goal in our space program was to send a man to the moon and safely return him to Earth by the end of that decade. That speech focused a vision that shaped our direction in space for 10 years. From that vision, we created goals, objectives, actions; we focused our funding; and we measured our results. As Americans, we understood the challenge the president posed. And best of all, it captured our imagination.

As a taxpaying public, we supported NASA enthusiastically, and we met the challenge. The Apollo 10 mission to the Moon was the ultimate application of technologies pursued during the 1960s.

We were able to successfully pursue that mission because it had public support. And it had that support because the Oval Office clearly articulated the goal of our space program.

On the flip side, look at the multibillion-dollar Superconducting Super Collider. Funding for this initiative is being delayed, and its support continues to plunge. Then there is Space Station Freedom, which faces continued reshaping and downsizing.

Both of these grand projects lacked a focused vision that an American could relate to or understand. And while we know all too well how scarce funding is, these programs have suffered more from the absence of a clearly focused mission than from a lack of funding.

There's a lot we can learn from President Kennedy's clearly defined mission. Today we have a public that probably believes that the IT industry—telecommunications, software and hardware manufacturing, and systems integration—offers the best hope for renewed national economic strength and a better quality of life. We have a president and vice president who have embraced our industry and who are seeking a clear national technology agenda.

What we need now is our "mission to the moon," that one objective or grand application that can capture the imagination of the public and win the support of policy makers.

So how do we focus our vision? Let's look at two opposite approaches. First, imagine the level of public support for an initiative to develop a national information

But what if that concept is restated so that it can be translated into the result that such an infrastructure would have on the lives of all Americans?

Consider the great national treasures the Library of Congress has; its immense inven-

tory of art; literature, science and the information products that its 5,000-person research staff develops. The Library is in the process of digitizing these information inventories, yet they are accessible only to Congress or Americans who live in the Washington metropolitan area and then only if they visit the Library.

Now a vision emerges. Our objective is to link the Library and its national information warehouse with 75,000 schools and universities and 15,000 libraries by 2000. We're going to connect rural and urban schools, thereby delivering the power of vast information resources and technologies to classrooms and school districts from kindergarten to 12th grade and on through the university level.

Connecting the Library with schools is just one example of countless resources that could be linked.

But by linking our schools and using them as our central focus, we can create a network that is equally accessible to industry and government for its endless array of uses. We will give our children opportunities and access to information that no other country offers, that no other generation of Americans has had.

And we're going to do this with a national information network that includes connections through direct digital networks and through the use of satellites and remote digital sites.

We can take our technology goals and give them new meaning. This is a goal worthy of support, our "mission to the moon" for the 1990's.

MOST-FAVORED-NATION TRADE STATUS FOR ROMANIA

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. HOYER. Mr. Speaker, once again the question of restoring most-favored-nation [MFN] trade status to Romania has come before the House of Representatives. Many of my colleagues will recall this issue's charged and contentious history, from the days when Romania enjoyed MFN, despite the abominable human rights record of Communist dictator Nicolae Ceausescu, to the heated floor debate and vote last September, when restoration of MFN was resoundingly defeated by this body. My colleagues may also recall that I spoke to this issue in September 1992, arguing that restoration of MFN prior to Romania's presidential and parliamentary elections was dangerously premature.

Today, however, my message is different. Today, I am lending my voice and strong support to those who believe the time for restoring MFN to Romania has come.

As Co-Chairman of the Commission on Security and Cooperation in Europe—Helsinki Commission—I have closely followed developments in Romania for many years. Commission delegations and members of the Commission staff have visited Romania at regular intervals since the revolution of December 1989, and have monitored and reported on the general and local elections of May 1990, February 1992, and September 1992. Through meetings and extensive correspondence with Romanian

authorities, Commission Chairman Senator DENNIS DECONCINI and I have carefully followed the progress of Romania's complex transition to democracy, raising issues of concern whenever necessary.

Since the fall of the Ceausescu regime, Members of Congress have urged that restoration of MFN rest on progress in four specific areas: the holding of timely, free, and fair elections; the removal of barriers inhibiting an independent media, particularly broadcast; better control of the internal security and intelligence forces; and greater protection of individual human rights, particularly with regard to minorities. More recently, my colleague and good friend Representative BART GORDON has introduced legislation suggesting that conditions in Romania's orphanages and children's institutions should serve as another guidepost in our deliberations.

But I would like to address the general state of democratization in Romania. Of all the countries of East Europe, perhaps Romania suffered the most and had the farthest to travel to overcome its bitter legacy. The journey has been difficult, but it appears that it is one that Romania has committed itself to complete. In my view, we have seen important progress in all of the areas I mentioned earlier. Most recently, two important legislative initiatives have been taken in Romania, one concerning civilian oversight of the Romanian

All political forces in Romania, including the opposition Democratic Convention of Romania and the Hungarian Democratic Union, now openly support the restoration of MFN trade status for their country. Indeed, its continued denial appears to serve best the interests of extremist, xenophobic, anti-Western groups, who use it as evidence of Romania's victimization and subversion by forces outside and by traitors within. Surely the time has come to extend a hand to the people of Romania, to recognize the important progress they have made and to demonstrate our support and encouragement. Surely the time has come to acknowledge Romania's observance of the United Nations sanctions against Serbia—a former ally and trading partner—which they have made a good faith effort to uphold despite tremendous economic difficulty. Surely the time has come to reassure Romania, firmly and clearly, that we want them to be full participants in the community of democratic nations.

I am not suggesting that Romania's transition to democracy is complete, or that the human rights picture is perfect. The Helsinki Commission will continue to follow developments in Romania, and will continue to press for better compliance with CSCE standards and commitments. But I firmly believe that if we really want to see change, if we really want to see the full evolution of democratic institutions and a market economy, then our approach must be one of engagement. I urge my colleagues to join our President in supporting the restoration of most-favored-nation trade status to Romania.

TRIBUTE TO RICHARD A. "DOC"
WHITWORTH

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. CARR. Mr. Speaker, one of the truly unique and dedicated individuals in the U.S. auto industry, Richard A. "Doc" Whitworth, soon will be retiring. Doc is manager of traffic safety at the General Motors Proving Grounds in Milford, MI, a facility which I represent along with our colleague, Mr. Knollenberg.

Many government officials and others has visited this GM facility over the years, to learn more about the extensive safety, emissions, durability testing, and development that is part of the intricate process involved in producing today's motor vehicles.

They also have learned first hand from Doc Whitworth—usually in a thrilling fashion behind-the-wheel or in the passenger seat—about how to properly and safely operate one of those motor vehicles. Doc's advanced-driver-training session is a staple of any visit to this impressive facility, and I have long been convinced that if all drivers could spend some time with Doc—or learn his techniques in other ways—that we would be a nation of better and safer drivers.

In its June 14 edition, the Detroit Free Press published of profile of Doc Whitworth which tells a lot about the man and his dedication to improved highway safety. I wish Doc Whitworth the best in his retirement, and commend the article to our colleagues.

[From the Detroit Free Press, June 14, 1993]

ON PATROL AT GM'S TRACK

(By Greg Gardner)

The sign still says "General Motors Proving Ground." The company's new corporate-speak has rechristened it the "Validation Center."

When you enter the 4,000-acre complex in Milford, you're really in Richard (Doc) Whitworth's town, and he's the all-powerful sheriff.

"It's a small community of about 3,200 population," said the 60-year-old Whitworth, who knows a healthy portion of them by name. "Counting the people who drive in and out from other company locations, on any given day we probably have 4,000 on the grounds."

His business card says he's the manager of traffic safety, but he doesn't cotton much to titles. His primary mission is to make people safer drivers, and he takes that mission seriously.

Throughout the rolling hills, twisting roads and dozens of laboratories that dot the proving ground landscape, Whitworth enforces his safety rules as if they were law.

"We always thought of him as the Wyatt Earp of General Motors, and we were the villains," recalls Don Sherman, an independent automotive writer who has endured his share of finger-wagging lectures from Whitworth. "You sort of felt like a truant sixth-grader in his presence."

From a distance, Whitworth looks like actor Wilford Brimley on location to film another Quaker Oats commercial.

One car magazine editor describes him as a cross between a Marine drill sergeant and the police officer in "Smokey and the Bandit."

More than a few General Motors executives recall sheepishly when Whitworth has revoked their proving ground driving privileges for recklessness, carelessness or other transgressions of the good doctor's commandments.

John Grettenberger, general manager of Cadillac division, recalls the day several years back when we was putting an Allante through its paces on an expansive piece of blacktop known as Black Lake.

"I was wheeling around Black Lake, going a little faster than I should have been," Grettenberger said. "All of a sudden, this pickup truck is coming straight at me with a flashing light on top. Doc jumped out of it and reminded me in no uncertain terms that if I didn't slow down, I'd be in big trouble."

Even GM President Jack Smith could be stripped of his proving ground privileges for three violations, and a violation could be as minor as momentarily swerving onto the shoulder of a road. Whitworth says Smith is a pretty sensible driver.

Like an eagle hovering over its nest, Doc has been known to swoop down on unsuspecting spy photographers snapping away at top-secret prototypes. After all, between 700 and 800 cars and trucks are tooling around his village on any given day. There are bound to be a half dozen cars that aren't ready for dealer showrooms.

Noted spy photographer Jim Dunne has triggered Whitworth's wrath on numerous occasions but insists he holds no grudges.

"He didn't just tell you the rules and go back to his office and sit down," Dunne said. "He was there all the time. He is a real gentleman."

Whitworth grew up in northeastern Indiana, where he helped his father build midget racers and sprint cars that they drove on weekends at local tracks.

"I got my taste of racing early, ran . . . through the fence a few times and found out what I couldn't do," he said.

Oh, yes, the nickname. He came by it during his college days at Ball State University in the mid-1950s. While running the 400-meter high hurdles, he injured his knee severely enough to end his track career. So he took a four-week crash course at Purdue University and became Ball State's first athletic trainer.

"We're talking cuts and bruises and tape. It was not the sophisticated sports medicine of today," he said.

Perhaps that fueled his obsession with safety.

"Obsession" is the right word. In the early 1960s, he taught shop, health and driver's education to high-schoolers in Kenosha, Wis., but it wasn't enough. Were these kids really learning or just going through the motions so they could get their licenses? Whitworth wasn't sure.

"There I was with a master's degree in highway safety, and I just wasn't doing what I wanted to do," he said.

By the mid-1960s, he landed a job as the National Safety Council's technical director. That gave him a forum to educate auto executives, educators and politicians. When legislators drafted laws on everything from seat-belt use to drunk driving, they sought Whitworth's opinion.

GM took note of that expertise and hired Whitworth in 1969. He gradually worked his way up from a tire-testing technician to the corporation's safety guru.

Now, at age 60, Whitworth is known by everyone who's anyone at GM.

Whitworth began to find his niche in the early 1970s, when Oakland County officials

discovered that high-speed chases were causing the expensive and rapid turnover of its sheriff's department fleet.

"They were just tearing up patrol cars right and left. Insurance companies were on their back. This was taxpayer's money they were sucking up," Whitworth said.

So he put together a simple one-day training course. Crash-avoidance drills, steering a slalom course marked by orange cones, proper braking skills and how to maintain control when a car starts to hydroplane.

The county put its deputies through it. After two years, the county had cut patrol car accidents in half.

Since then, Whitworth has trained more than 700 instructors who, in turn, have helped law enforcement agencies across the nation. He also has developed a training manual used by the National Highway Traffic Safety Administration and the FBI.

"I don't tolerate ignorance or egos very well," Whitworth said. "I can't help the deputy who backs out of the parking lot into a telephone pole because he's got his head up a certain part of his anatomy."

There's much more than preaching and teaching to Whitworth's job. He studies police reports and reconstructs accidents to learn how future car designs can enhance safety.

One recent morning, several large slabs of concrete buckled on the proving ground's 4.5-mile circular track. So Whitworth swung into action to get it fixed before test schedules were seriously delayed.

"That's what I like about this job," he said. "It keeps you busier than a dog scratching fleas."

On weekends, he and his wife, Betty, stock their RV with food, rendezvous with friends and go exploring and camping throughout the Midwest. "We're gone two weekends out of every month this time of year," he said. "I'm a gypsy at heart."

A few years ago, he took up wood carving. He and Betty were browsing through a crafts fair one day, admiring some pieces, when she told him she bet he could do that.

"Today I've got my own woodworking shop at home," he said. "I've never been afraid to start something new."

SELF-HELP: FASHIONING THE
DAIRY INDUSTRY OF TOMORROW

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. GUNDERSON. Mr. Speaker, in less than 7 years, we will be entering the 21st century. While that transition is largely symbolic, changes which have occurred in the past decade have created challenges for all of American agriculture and, particularly, its dairy industry. Indeed, with the demise of the Soviet Union as a nation, American dairy farmers now represent the single largest national dairy industry in the world.

Nowhere is that change more evident than in recently released trade statistics for the period between January and April, 1993, showing an 18-percent increase in American dairy exports when compared with the same 4-month period in 1992. With the elimination of Mexican nontariff barriers to our dairy products by NAFTA, even greater trade opportunities are on the horizon in our own hemisphere.

Simply stated, we no longer produce milk and dairy products only for an American market. Rather, the whole world is our marketplace. Hopefully, we can use this change to our advantage in creating greater price stability for dairy producers as well.

Mr. Speaker, the question is whether all segments of the American dairy industry are ready to take on the competitive responsibilities associated with this new world role. And, if they are not, can we provide them with the tools they need to become—and remain—competitive in a world dairy market.

Indeed, that is the concept of dairy self-help legislation—to help American dairy farmers take control of their own destiny and compete in a world market. Quite frankly, it

In response to criticisms in the mid-1980's that the dairy support program was costing too much, a series of reforms were undertaken that have reduced spending on the program from \$2.4 billion in 1986, to an annual cost of between \$250 and \$300 million today. In a time of escalating costs in other entitlement programs, this reduction is nothing short of phenomenal.

This was accomplished, in part, by having dairy producers assume a portion of the cost of the program. In fact, dairy farmers pay for approximately 40 percent of the program currently. Accordingly, it is appropriate for them to have a greater say in the day-to-day operation of that program.

That's why I have long-supported the concept of self-help and joined the chairman of the Livestock Subcommittee, Mr. VOLKMER, last Thursday in introducing H.R. 2664, the Dairy Self-Help Initiative Act of 1993. This legislation, fashioned by the executive board of the National Milk Producers Federation [NMPF] in a series of meetings this Spring, is an important first step in creating a self-help program for the American dairy industry.

At the same time, Mr. Speaker, it is important that this legislation receive the full scrutiny and analysis of the legislative process to insure that we are creating a self-help and not a self-hurt program. In that process, we cannot lose sight of the goal of dairy self-help—an American dairy industry prepared to compete in a world market.

Indeed, several portions of the NMPF proposal need to be reviewed by USDA and

At a time when we are taking on the responsibility of serving a world market, it cannot go unnoticed that the dairy industry has aged significantly. The average dairy farmer, in certain regions of our country, is in his or her midfifties, and their respective facilities have not been updated in as much as 30 or 40 years. If we are to remain competitive in a world market, we need new blood and modern facilities.

A targeted excess purchases reduction, with limited or no exceptions, represents the single greatest threat to a modern American dairy industry and our future competitiveness in a world market. Allowing a new producer an exemption from the targeted excess purchases reduction for only 75 percent of his or her production and allowing no exemption whatsoever for a producer who needs to increase production to pay off the cost of modernizing his or her 25-, 35-, or 45-year-old facility only perpetuates the aging structure of the American

dairy industry and works to the contrary of the stated purpose of self-help.

Clearly, Mr. Speaker, we've made a good start toward a dairy self-help program, but there's work left to do. I, therefore, look forward to working with Chairman VOLKMER and my colleagues throughout the legislative process on this proposal in order to produce a self-help program of benefit to all dairy farmers and the entire dairy industry.

TRIBUTE TO ROBERT VODILKO,
JR.

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to an exceptional young man from my 17th Congressional District. Robert Vodilko, Jr., is now a member of the prestigious Eagle Scouts of the Boy Scouts of America. He passed his board of review on May 11, 1993.

Mr. Speaker, Robert first came to my attention several years ago when he wrote to my office asking why our country only gives veterans flags upon their death. His letter forced me to ask the question myself. When I was unable to come up with a satisfactory answer, I decided to try to rectify the situation. In 1991, I introduced H.R. 2408, a bill that would provide for the distribution of a flag of the United States to each individual who serves as a member of the Armed Forces in a hostile area during a period of war.

Mr. Speaker, although this bill did not pass, I want to recognize Robert for his role in the bill's introduction. Originally, it was his idea, and after careful thought and reconsideration, I agreed. Robert is an outstanding young man and I know he will go far in life.

LOCKHEED'S BARD ALLISON
STEPS DOWN AFTER 36 YEARS

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. DARDEN. Mr. Speaker, today I rise to recognize H.R. "Bard" Allison, who after 36 years of helping to make Lockheed Aeronautical Systems Co., one of the Nation's leading defense contractors will retire on July 31.

Mr. Allison has been an integral part of Lockheed's success. In addition to his exceptional knowledge of aviation engineering, he has served as an outstanding leader, helping to guide the company to reach and maintain the highest standards of excellence.

At the Marietta facility, engineering and manufacturing development work currently is underway on the F-22, a state-of-the-art aircraft that will revolutionize air combat and ensure that the United States will continue to dominate in air superiority well into the next century. Lockheed also is known as the airlift capital of the world, having produced the C-5A, C-5B, C-141, and C-130 aircraft.

After completing a mechanical engineering degree at the University of South Carolina and a tour in the U.S. Navy, Mr. Allison brought his talents to Lockheed in 1956. Work on the C-130 aircraft, today the workhorse of our Armed Forces' airlift fleet which performed so magnificently during the Persian Gulf war, had just gotten underway at the Marietta plant.

Mr. Allison began his career as an associate aircraft engineer specializing in propulsion and thermodynamics; he was largely responsible for the successful development of the C-141 Starlifter and C-5 Galaxy programs. With the C-5A program completed in the early 1970's, he expanded his skills to research and technology as chief engineer.

After becoming director of engineering in 1979, Mr. Allison led efforts to improve and extend the life of two valuable projects at Lockheed—the C-5 and the C-141 fleets. Moving into program management as vice president for these two aircraft programs in 1984, he played a major leadership role in the highly successful C-5B program. He was appointed as executive vice president and elected a vice president of Lockheed in 1986.

Mr. Allison is leaving a great legacy to Lockheed as well as to the rest of our Nation's defense industry and military. His dedication and contributions, both personal and professional, will forever be reflected in the quality workmanship and performance of Lockheed aircraft. He and I have been good friends for many years.

I join Mr. Allison's friends in saying that he will be greatly missed at Lockheed. I wish him and his family the best in his well-deserved retirement.

KITTATINNY CANOES—CLEANING
UP THE DELAWARE RIVER

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. HINCHEY. Mr. Speaker, this week, Kittatiny Canoes will conduct its annual On and Under the Delaware River Cleanup. More than 100 volunteers are scheduled to participate each day. Kittatiny Canoes, the oldest and largest Delaware River livery, has conducted this event for the past 3 years. It is aimed at bringing together individual volunteers, organizations, and communities to work together to clean trash from the river. When people work together, taking pride in their surroundings and improving the area for everyone, great things can be accomplished. Tons of trash including tires and aluminum cans were removed from the river and its surrounding area. For 2 consecutive years, Kittatiny Canoes has placed first in the Take Pride in America Program, for their effort to protect and preserve the Delaware River. Their 1992 cleanup resulted in a Volunteer Service Award from the U.S. Department of the Interior. The river remains crystal clear, and the EPA rates the water quality of the Delaware as excellent. I would like to commend Kittatiny Canoes for its commitment of staff, facilities, equipment, expertise, and resources to this effort. The kind of spirit displayed by the company demonstrates a caring for the environment and the community, a spirit I think we can all applaud.

TRIBUTE TO SENPO SUGIHARA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. LANTOS. Mr. Speaker, I rise today to honor a hero by the name of Senpo Sugihara, a former Japanese diplomat who sacrificed his budding diplomatic career to save the lives of thousands of fleeing refugees from the horrors of the Nazi death machine.

Posted in Lithuania during World War II, Mr. Sugihara risked his life and sacrificed a promising diplomatic career by issuing transit visas against the orders of the Japanese Government. Thousands of trapped and desperate Polish Jews possessing those visas were able to escape persecution via the Trans-Siberian Railway.

Even as he was being transported for defying the orders of his superiors, he enabled a final group of refugees to escape by issuing them visas from the car of his train. His act of courage and his willingness to defy the immoral and unjust decrees of his government insured the survival, among others, of the entire faculty and student body of Mir Yeshiva, the only European Yeshiva to survive the Holocaust, Zera Warhafting, one of those saved by Mr. Suyihara, became Israel's Religious Affairs Minister. Another, Menahem Savidor, became Speaker of the Knesset.

Sugihara has already received extensive honors throughout the world. In his home native village of Yaotsi, Japan, a memorial park has been dedicated in his honor. He has been recognized as a Righteous Gentile in Israel, and is the first Japanese to receive that honor. In our own country, he received the Courage to Care Award of 1989 from the Antidefamation League of B'nai B'rith.

Mr. Speaker, Sugihara is unique because he demonstrated that every individual is empowered to resist the tyranny of an immoral government; one can act in accordance to the dictates of a higher moral authority that advocates justice, humanity, and compassion to all mankind. His noble deeds will live and be remembered long after the tyrants and the dictators will have been relegated to the dustbin of history.

STATEMENT REGARDING HOUSE
JOINT RESOLUTION 231**HON. HOWARD COBLE**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. COBLE. Mr. Speaker, on July 15, I introduced House Joint Resolution 231, a bill to designate the week of November 6, 1994, as "National Elevator and Escalator Safety Awareness Week."

More than 75 billion passengers use these services each year. There are approximately 700,000 elevators, escalators, and moving walkways in North America. The industry has established safety codes at both the State and national levels to ensure that this equipment is designed, manufactured, and installed to provide safe and dependable operation.

EXTENSIONS OF REMARKS

My resolution will help to educate the public on the importance of observing safety precautions when using elevators and escalators. Regrettably, approximately 14,700 persons are injured each year on escalators and elevators. A majority of those suffering injuries are children under the age of 10 and persons over the age of 60.

The Elevator Escalator Safety Foundation [EESF], an industry-wide coalition of manufacturers, contractors, and safety authorities, is already engaged in a major education campaign to instruct the public on the proper and safe use of industry equipment. Passage of my resolution should assist in this effort.

Americans use this equipment daily, and any preventive measure designed to ensure the safety and well-being of our citizens is a goal worth pursuing. I urge my colleagues to join me in sponsoring this resolution.

THE 50TH WEDDING ANNIVERSARY
OF HERBERT L. AND ELEANOR
WURTH**HON. LESLIE L. BYRNE**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Ms. BYRNE. Mr. Speaker, I am pleased today to rise in tribute to Herbert L. Wurth and Eleanor Wurth of Falls Church, VA, who celebrated 50 golden years of marriage on July 17, 1993.

Our Nation was engaged in a terrible war when Mr. and Mrs. Wurth were wed on an Army air base in Florida. Their story reads like a movie script of the time. High school sweethearts who married in the midst of war. He leaves to be a bomber pilot over the Burma Hump—and later in Korea with the U.S. Air Force. She lends strong support to family and Nation on the home front. Herb is from Hackensack, NJ, and Ele is from Oradell, NJ.

Herb also saw duty in public information positions in the Pentagon, for the U.S. Post Office, and the Air Force in Los Angeles, where he consulted with Hollywood over the treatment of the service agency in such productions as the motion picture "Tora! Tora! Tora!" and the television series "I Dream of Jeannie."

Now happily retired, they are good and helpful neighbors. I ask that the Members of Congress join with me in congratulations to Herb and Ele. I know that I will be joined by their sons, James and Robert, and grandchildren, Scott and Amy, as well as their many good friends, many of whom live on Jewel Street in Alexandria, VA. I am honored to be a part of this celebration and wish Herb and Ele another half century of good health and fortune.

AGRICULTURE APPROPRIATIONS—

H.R. 2493

SPEECH OF

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Ms. WOOLSEY. Mr. Speaker, I rise today in strong opposition to Representative ARMEY's amendment to H.R. 2493 to eliminate funding for the Market Promotion Program.

The district I represent, Marin and Sonoma Counties in California, is famous worldwide for its excellent wines. The Market Promotion Program [MPP] has enabled the wines of my district and all of California to successfully compete in the international market.

Although California's wines are competitively priced and are of the highest quality, they cannot survive in the world market without MPP due to unfair trade barriers and other disadvantages. The European Community is heavily subsidized through export refunds and domestic price support programs that allow European Community wine producers to lower costs and absorb high tariffs. However, the wine industry receives no production subsidies from the U.S. Government. MPP is not a subsidy—it is a program aimed at making U.S. exports successful in international markets.

With the help of MPP, wine export sales grew from \$27 million in 1985 to \$175 million in 1992. Clearly, this shows that MPP is a proven success and is crucial to the future well-being of our growing wine industry.

Mr. Chairman, I strongly urge my colleagues to vote "no" on the ArmeY amendment.

DISAPPOINTMENT WITH STATE OF
AFFAIRS IN CYPRUS**HON. WILLIAM J. HUGHES**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. HUGHES. Mr. Speaker, I rise today to join with my colleagues on the Human Rights Caucus in expressing our shared disappointment with the state of affairs in Cyprus.

As we are continually encouraged by the efforts of nations around the globe to establish new foundations based upon democratic principles and peaceful motives, we must not forget the division and strife in nations such as Cyprus.

The 1974 division of Cyprus among the Greek Cypriots and the Turkish Cypriots created the 19-year destabilization of the region. Successive rounds of negotiations have failed to bring resolution to this splintered Mediterranean island. In fact, just last week Turkish Cypriot leader Rauf Denktash announced his decision to withdraw from his position as the primary negotiator on behalf of his community, halting the progress of U.N. Secretary General Boutros-Ghali's current talks on settlement. With this key figure absent from the table and publicly rebuking the U.N. initiative, doubt has been cast on yet another resolution effort.

I encourage President Clinton to maintain his commitment to seeking a settlement that

provides for the withdrawal of Turkish forces and an accounting of all missing Americans and Greek Cypriots. We should do all that is within our power to alleviate the suffering of those American families left questioning the status of their loved ones for 19 years.

Finally, I echo the President's remarks from National Greek-American Day when he pledged to remain "fully engaged in the U.N. process * * * and not rest until a solution is found."

SUPPORT FOR RADIO MARTI

HON. RICK SANTORUM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. SANTORUM. Mr. Speaker, I rise today in strong support of continued funding for Radio Marti. On October 4, 1983, President Reagan signed into law the Radio Broadcasting to Cuba Act which established the Radio Marti Program. This was created for the sole intended audience of the Cuban people, bringing an objective account of Cuban events and Cuban foreign affairs. Its inception brought the first true voice of the outside world since the Castro dictatorship began.

Since 1959, Fidel Castro has ruled Cuba with an iron hand. Generations of Cubans have grown up isolated on the island, starved for information with no reliable news media or source of knowledge about the outside world. In this time of economic and political isolation Cuba is experiencing due to the demise of the Soviet Union, we must not stop our broadcasts. This program has been an effective, peaceful way of promoting U.S. policy.

In this post-cold-war era, Castro's regime, which depended heavily on the former Soviet Union, is greatly weakened. For years, Cuba depended on almost 70 percent of subsidized trade with the Soviet Union. Due to the decrease of assistance by the former Soviet Union, Cuba is experiencing large shortages in petroleum and other vital necessities. With lost allies in Eastern Europe, the ouster of Noriega in Panama, and the electoral defeat of the Sandinistas in Nicaragua, Cuba's political isolation is growing. The elimination of Radio Marti would not only be a giant public relations victory for Fidel Castro at a time when he needs it most, but would send a demoralizing signal to the Cuban people.

Historically, America has effectively used the voice of freedom nonmilitarily through the use of airwaves. America has promoted the voice of democracy through decades of war with Radio Free Europe and Radio Liberty in spite of repeated efforts to jam its signals. We did not turn our back on the countries of Eastern Europe during the cold war, let us not do so now with the Cuban people. We cannot abdicate our role in supporting the struggle for democracy in one of our closest neighbors. The freedom-seeking people of Cuba have been denied their human rights for far too long.

TRIBUTE TO AVON W. ROLLINS

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. DUNCAN. Mr. Speaker, Avon W. Rollins is a friend of mine and is a man whom I respect and admire. He came up the hard way, but he worked diligently and became an outstanding student, civil rights proponent, and government official. He has been a leader in everything he has ever done.

Recently the Tennessee Valley Authority put out a publication which tells in brief form the life story of Avon Rollins. It is a fascinating, interesting, and I think, truly American story.

I am proud that Avon Rollins is one of my constituents. He has been a good citizen and has served this country well. Our Nation needs more people like him.

I hope all of my colleagues and other readers of the RECORD will take a few minutes to read this article.

AVON W. ROLLINS: "ONE PERSON CAN MAKE A DIFFERENCE"

(By Jean Nicholson)

"From a boy he knew he wanted to be free; he is a friend of mine; he stood up before the man; he didn't pay no fine. He followed the master plan, he knew what was right, knew how to fight, knew how to deal, knew how to live. He is a friend of mine. He didn't pay no bail, threw him in the jail," says the song written and sung by Matt Jones to honor his friend Avon Rollins. In fact Avon William Rollins (Minority Resources) has quite a reputation, and he's very proud of it.

Avon grew up in downtown Knoxville. The family's house was located on Church Street across from where the coliseum now stands. His social life centered around the streets in the black business community, and Avon quickly became "street wise"—not malicious, just mischievous. However, he does recall a junior high school teacher saying, "You're going to end up in jail."

Rollins became seriously interested in the civil rights movement while still in junior high. In the mid-1950s shortly after Rosa Parks refused to give up her seat on the bus in Montgomery, Avon wrote a paper for a civics class at Vine Junior High School called "America, Are You Really America to Me?" This paper discussed whether America was brave enough to stand up for individuals who were different only by color of their skin. The nation was in turmoil at that time. In Montgomery people were being jailed or fired from their jobs for participating in the bus boycott. It was during this time that the Supreme Court ruled that "separate is not an equal way" to educate America's children and mandated that America's school systems be integrated immediately. There was immediate national unrest. In nearby Clinton, Tennessee, a bomb was placed in a recently integrated school building. A similar situation occurred in Little Rock, Arkansas. Police power was evoked to ensure the safety of African-American children attending these school systems.

In the early 1960s, while a student at Austin High School, Avon was participating in a special program for gifted students at Knoxville College sponsored by the National Science Foundation. The Knoxville "sit-in" movement originated on the college campus, and Avon was in the midst of it. His parents

were supportive of his position in the movement, but they were also concerned for his physical well-being. The Knoxville Chief of

In September 1961 Avon was among the first African-Americans to enroll at The University of Tennessee at Knoxville. All the eating facilities in the university area were closed to African-American students, social life was segregated, there was a lack of communication between African-American and white students because this was a new experience for both races to interface with each other. A campus group called "Students for Equal Treatment" was organized and composed of both African-Americans and Caucasians. This group thought it was wrong and un-American for restaurants and other facilities in the university area to deny services or entrance to African-Americans and voiced their displeasure. Avon was also very active in this group.

Avon met Dr. Martin Luther King, Jr., when he came to speak at a commencement exercise at Knoxville College. This was a very large event for the Knoxville African-American community because Dr. King was a well-known celebrity in the civil rights movement as well as across the nation. Avon holds Dr. King in high esteem because he would spend hours talking to young people and debating his theory of nonviolence.

In 1960 Ella Baker called a group of young people together in Raleigh, North Carolina, and the Student Nonviolent Coordinating Committee (SNCC) was born. Avon became very active in this group during his time at UT. Their philosophy was one person can make a difference if enough of those persons band together. Rollins went to school with and worked along with civil rights participants such as John Lewis (now U.S. Representative from Georgia), Marion Barry, Jr. (former mayor of Washington, D.C.), Ben Chavis (current National NAACP President), and Julian Bond (first black nominated for Vice President and now a former state Senator from Georgia).

Marion Barry (raised and educated in Memphis and doing his graduate work at UT-K) was the SNCC Chairman. Initially the group produced a newsletter for college students detailing civil rights movement activities in various communities. Many native Knoxvilleians were active in SNCC activities, but Avon is probably the only one to achieve national prominence. Through his relationship with Barry (today they are still the best of friends), Avon was introduced to the hierarchy of the SNCC movement. He became a national executive and headed the Virginia and North Carolina civil rights movements as a field secretary in charge of organizing the movement in these states. During the university's summer break Avon and other SNCC members would go into communities in the deep South (Mississippi and Alabama) to talk about the pressing need for social change. Avon participated in the Birmingham movement and in the historic march from Selma to Montgomery that led to the Voting Rights Act of 1964. Avon was also on the platform during the legendary August 1963 civil rights march on Washington, D.C.

During the civil rights movement marches, demonstrates, and sit-ins, Avon was arrested and carted off to jail many.

Avon did not come away from the marches, sit-ins, and demonstrations unscathed. The back of his head was bashed in many times by police, jail officials, and others who did not agree with the goals of the civil rights participants. He describes the era as "very violent times."

Rollins was employed by TVA in 1965 and was still active in the civil rights movement in Knoxville. Shortly after his employment the Knoxville Journal carried an article from a Charleston, South Carolina, newspaper that implied Avon was participating in civil rights activities while employed by TVA. This involvement also prompted a local grocer to write his congressman about a TVA employee's involvement in civil rights issues, demonstrations, and pickets during office hours. That letter named Avon and delineated where he was at specified times of the day—primarily at a business across the street from this person's grocery in the Knoxville minority community or demonstrating on the grocer's premises. Surveys indicated that this grocery increased its prices at the minority location (in excess of those charged in the more affluent neighborhoods) and hired very few if any minority employees. Avon was involved in picketing in front of the grocery, but only while he was in annual leave status. He also took annual leave to serve his jail time in Virginia so the Danville family would not lose its house to litigation.

Across the nation many books have been written about the civil rights movement, and the majority of these note Avon's participation and feature pictures of him. As mentioned earlier, Matt Jones wrote a song about his friend Avon. Has America changed during the last 30 years because of the civil rights movement? America experienced a time of violent crisis in 1963—violence was prevalent in Danville, Virginia; it was a time when children were killed in a Birmingham church. Now 30 years later the economic conditions of many African-Americans have not improved drastically. However, the civil rights movement has been a road map women used to secure greater participation in American society and other ethnic groups to target a place for themselves also. Avon feels that it has been easier for other ethnic groups to mesh with American society than for the African-Americans because of their similarity in skin coloring.

Although economic standards for many African-Americans are still on the low side of the spectrum (today African-Americans' per capita income is 68 percent of that of the general population), many other changes took place as a result of the civil rights movement of the 1960s. For instance, 30 years ago only one theater in Knoxville admitted African-Americans, and they were restricted to the balcony. One day each year—August 8 (the day the words of the Emancipation Proclamation reached Tennessee)—African-Americans were allowed admittance to Chilhowee Park (a public park); one day each year African-Americans were allowed to go to the skating rink.

Rollins' concern for his race carried over into his career at TVA. In 1970 he and a few other African-Americans carried out his idea and created an organization called the TVA Minority Investment Forum (MIF). MIF's mission was to put some of the money its members earned back into the minority community. Loans were granted (and still are) to minority entrepreneurs to develop or expand businesses in their communities. Interestingly, this group's request to use a TVA conference room

Avon is still very active in his community. He is currently chairman of the Summit Leadership Coalition, composed of all the community's African-American organizations. This coalition brings all the civic, social, and fraternal organizations together to talk about mutual community concerns.

"TVA played a significant role in lifting the Valley to where it is today. Sadly, TVA still rates very low in employment of African-Americans and other minorities," says Rollins. After more than 26 years with this agency, Rollins says he is disappointed that the "color" issue is still prevalent. To overcome this stigma and to gain economic parity, leadership in the Valley needs to be creative and visionary. In the near future he would like to see an African-American appointed to the TVA Board. That appointment would bring focus and change throughout the organization. He would also like to see a task force of prominent economists come together and advise TVA on the direction it must take to ensure that African-Americans gain parity with the Valley's total population. "We all have our biases, but we should not let our biases get in the way of what's right, what's just, or create restrictions for others," says Avon.

He also adds, "Opportunities of African-Americans were restricted by earlier political administrations. The erosion of African-American family life, the dependence of African-Americans on public assistance, and the lessening of jobs in the marketplace were brought about by certain political groups in power. Now because of the change in the world economy, U.S. entrepreneurs are world entrepreneurs rather than American entrepreneurs. Years ago an American entrepreneur would try to find ways to develop, produce, and market a product on American shores. Now firms are looking at the least costly method of production or services, and more often than not that lower cost must come from foreign shores. Therefore, many businesses and factories have been moved to other countries."

TRIBUTE TO THE HONORABLE AMBASSADOR VICTOR MARRERO, HISPANIC BUSINESSMAN OF THE YEAR

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to the Honorable Ambassador Victor Marrero, who will be honored tomorrow evening as the Outstanding Hispanic Businessman of the Year by the National Hispanic Business Group.

Mr. Speaker, I have accumulated a great deal of respect for Ambassador Victor Marrero over the course of many years. Recently appointed U.S. Representative to the U.N. Economic and Social Council, Ambassador Marrero began his career bettering living conditions for the disadvantaged as a senior planning and housing official in the governments of New York City and New York State and as Undersecretary of the U.S. Department of Housing and Urban Development in the Carter administration. As the founding chairman of the board of the Puerto Rican Legal Defense and Education Fund, he worked actively to bring social justice to the Puerto Rican people, and he has put in place an institutional champion of the Puerto Rican cause.

Over the last 10 years Ambassador Marrero has pursued a very successful private law practice and has been involved in innumerable public and civic activities. While continuing as

chairman of the Puerto Rican Legal Defense and Education Fund, he has also served on the board of the New York Public Library, the fund for New York City Public Education, the Phoenix House Foundation, and New York Lawyers for the Public Interest, just to name a few. And as a member of the board of several Fortune 500 companies, including New York Telephone and Consolidated Edison, Ambassador Marrero has demonstrated that Hispanics can achieve and perform at the highest levels of corporate America.

Mr. Speaker, I hope my colleagues will join me in paying tribute to this outstanding individual who continues to serve as a very bright example of Hispanic America's potential for success and achievement.

THE WRONG TIME FOR TRADE SANCTIONS

HON. MIKE KREIDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. KREIDLER. Mr. Speaker, this week the House will vote on a resolution to impose trade sanctions on China. It would be easy to vote for that, because China's record on human rights and arms sales should embarrass any civilized country.

But sometimes acting on our feelings is not the best way to get results. Sometimes making gestures does more harm than good. This is one of those times. Denying most-favored-nation trade status to China would be an empty gesture. It would deny us the chance to work effectively with other countries to bring China into the family of civilized nations.

I do not ordinarily look to the Bush administration for advice, but one of the best cases against denying MFN has come from Richard H. Solomon, a former Assistant Secretary of State for East Asian and Pacific Affairs, in an article published in the Washington Post on May 30. Mr. Solomon expresses cogently the reasons why President Clinton's decision to renew MFN status, and impose conditions if necessary, is in the best interest of our economy and the Chinese people. I am inserting this article in the RECORD so others can read and evaluate it.

I respect the President's commitment to work for human rights and nonproliferation through multilateral mechanisms, leaving trade sanctions available as a last resort. If trade sanctions are to be imposed, that should be done in concert with China's other major trading partners. Otherwise, our competitors will pick up the pieces of the market we will have abandoned.

Frankly, if George Bush were still President, I would question his commitment to follow through on human rights and nuclear proliferation issues. But I trust Bill Clinton to do what he can to bring China into the civilized world without resorting to unnecessary, self-destructive, and futile unilateral trade sanctions.

The article referred to follows:

NO MORE BULL IN THE CHINA SHOP—WHY CLINTON HAS MADE THE RIGHT MOVE ON TRADING WITH BEIJING

(By Richard H. Solomon)

President Clinton announced late last week that he would extend China's most favored nation (MFN) trading status for another year and then consider further extension in 1994 on the condition that China meet specified human rights concerns in the months ahead. This policy, driven by our revulsion at the violent suppression four years ago of peaceful demonstrators at Tiananmen Square, is based on the Jackson-Vanik Amendment to the Trade Act of 1974—legislation that links the benefit of normal tariff treatment for non-market economies to their emigration practices.

Since Tiananmen, however, Congress has tied a growing range of complaints about Chinese domestic and international behavior to MFN by conditioning its extension. The Bush administration vetoed this approach in the past two years on the argument that other sanctions imposed by the White House or based on existing legislation dealt more effectively with our concerns about Chinese behavior. With a Democratic administration now in the White House, the president has been able to forge a coalition with Congress that will impose human right-related conditions in considering MFN a year from now while leaving our concerns about China's proliferation activities and trade practices to be dealt with by other measures. This policy adjustment gives the administration greater flexibility in dealing with China but puts our growing economic ties at risk, based on human rights criteria not specified in the Jackson-Vanik Amendment.

As China's economy has taken off through a dramatic surge in foreign trade, we have come to see that denial of MFN would impose significant economic costs not only on the bad guys in Beijing but also on ourselves, on China's reformers and on our trading partners in Hong Kong and Taiwan while weakening one of our most powerful sources of influence for social change. Moreover, our leverage is in the threat of denial; once the benefit is withdrawn we would have expended our influence—and in the process precipitated a broader decline in U.S.-China relations.

Managing this policy has become a game of Chinese chicken. The White House and congressional proponents of sanctions have tried to "carefully craft" conditions for extension of MFN that will express our strong opposition to Chinese human rights related actions, press them to change their ways, yet not rupture the relationship.

Would the president really deny MFN if China fails to meet his human rights criteria: adhering to the Universal Declaration of Human Rights; releasing or accounting for prisoners of conscience and improving prison conditions; protecting Tibet's religious and cultural heritage; and ending jamming of radio and TV broadcasts into China? Only he can say a year from now; but President Clinton has gone a significant distance toward creating a more effective China policy. Such a policy would inevitably reflect three premises:

We have a long-term national interest in constructive relations with the People's Republic of China, whether through balanced trade ties; prevention of nuclear proliferation in the Middle East, on the subcontinent and in North Korea; peacekeeping in Cambodia; or economic development strategies that will protect the environment. Put negatively, if our China policy is constructed in

a way that inexorably drives us toward unvarnished confrontation, we will take on foreign policy burdens that would make peacekeeping in Bosnia look like a minor police action. And we would confront China alone, because the Japanese, Europeans and others who joined with us four years ago in imposing sanctions after Tiananmen will not likely abandon their now-renormalized dealings with Beijing.

The current surge in China's economic growth, which last year made the country one of the world's most rapid developers, is the most powerful force for bringing about the very changes we are now seeking through sanctions. Rising per-capita income, access to foreign media of all types, opportunities for travel and study abroad, and participation in joint business ventures with foreign entrepreneurs are now changing China more profoundly than at any time in the country's century-long struggle to modernize. If China looks bad today—and we have legitimate reasons for concern—it is also clear that conditions have improved dramatically since 1972, when China first "opened up" to Americans and we went gaga over the suave diplomacy of Zhou Enlai, the awesome figure of Chairman Mao and the China of the Gang of Four. Thus, it is hardly effective policy to threaten to withdraw from China the one element in our relationship that is the most powerful agent of change—normal trade. That said, it is not in our interest to let slide our serious concerns with certain Chinese actions. The human rights abuses that continue to undermine public support for normal U.S.-Chinese relations include suppression of political dissent and religious practice, reportedly coercive population control measures, the use of prison labor in export industries and ethnic suppression in Tibet. China may be violating international agreements and bilateral understandings designed to control the proliferation of nuclear weaponry and missile delivery systems, and is selling conventional arms to unstable areas of the world, especially in the Middle East. And these concerns are now reinforced by a burgeoning trade imbalance that last year surpassed \$18 billion, making China responsible for 22 percent of our global trading deficit—second only to Japan at 59 percent.

Those who focus on MFN as our primary source of leverage on china stake our influence on one roll of the dice. Rather, we should draw on a range of legal, administrative and political remedies that are appropriate to our concerns while not putting the entire relationship at risk through the threat of a sanction that is costly to us and of questionable effectiveness in encouraging change in China.

China has committed itself internationally—by signing on to the Nuclear Non-Proliferation Treaty, the Missile Technology Control Regime and the Biological and Chemical Weapons Conventions—to limit the spread of weapons of mass destruction and their delivery systems. Given disturbing indications that Beijing has violated both the spirit and the letter of these undertakings, we have available a range of multilateral and bilateral sanctions including heightened controls over the export of weaponry and dual use technologies essential to modernizing China's own armed forces. Growing international concerns about China's expansive military modernization program mean that we are likely to find support for more stringent controls over the export to China of weapons-related technologies. We also can control Chinese investment in U.S. indus-

tries that would give China access to desired technologies.

We should expect strict Chinese adherence to existing agreements, and also—as a permanent member of the U.N. Security Council—broadened Chinese anti-proliferation cooperation through such actions as joining the Nuclear Suppliers Group, adopting full-scope safeguards over nuclear exports and rejoining talks on Middle East arms control. The Chinese argument that U.S. anti-proliferation policy is designed to limit Chinese money-earning possibilities through foreign sales of weapons and related technologies is self-justification of the worst sort. And we should reactivate our own defense dialogue with the Chinese military for serious exchanges on proliferation issues as well as on areas of possible security cooperation.

Given China's burgeoning trade surplus with the United States, we have every right to expect reciprocal market access. Here again, we have a range of bilateral agreements in place designed to protect our intellectual property, guard against imports of prison-labor produced products or violations of textile quotas and open Chinese markets to U.S. exporters. Chinese violations of these agreements are readily subject to economic sanctions under Section 301 of the Trade Act of 1974. And we should link our support for China's entry into the GATT to compliance with existing trade commitments as well as the further opening of domestic markets to our exports.

Human rights concerns are the most difficult to deal with, for sanctions are not so evidently apposite to abuses. Visibility is our most powerful source of influence, as we see in Chinese sensitivity to the domestic and international impact of the Voice of America. The openness of Chinese society necessary for economic growth unavoidably brings with it the opportunity to make visible to the world suppression of religious groups, ethnic minorities, political opponents and coercive birth control programs. Thus, we should continue to build international support for such "sunshine measures" as access to Chinese prisons by the International Committee of the Red Cross and the U.N. Human Rights Commission's monitoring of conditions in Tibet. Chinese authorities will resist opening up, but we should not underestimate the persuasive power to constraints on IMF, World Bank or Asian Development Bank financing of development projects other than those for "basic human needs." China's hosting of the Olympic Games in 2000 should have our support only with certain specified improvements in human rights conditions.

These sanctions have teeth; the challenge is to select the ones that will have some bit in China while not harming our own interests. We should have no illusion that such measures will resolve all our problems with China in short order. As with our persisting trade imbalance with Japan, the effort to open China's markets, to induce restraint on arms and dual-use technology exports, and to encourage respect for international norms in human rights practices will be a protracted and frustrating process. We will be most effective, however, if we remain engaged with China in a way that offers benefits for cooperation as well as sanctions for misdeeds.

Ultimately, however, this policy will work only if there is a leadership in Beijing committed to reform and constructive relations with the United States. In this regard, the current evidence is that the Chinese leadership, though still riven by tensions between

hard-liners and reformers, continues to move in the direction of economic decentralization and openness to the world. The Chinese Communist Party's 14th Congress last fall disavowed the conservatives' development approach of centralized management of the economy and reaffirmed the commitment to a policy of market-oriented development and engagement in the global economy—policies that undoubtedly account for China's current economic boom. Younger, reform-minded leaders are now coming to the fore, individuals who do not bear the blood debt of Tiananmen and who seem committed to domestic reforms and improving relations with the West.

Our China policy should be cast to reinforce these trends, which over time are bound to bring with them pressures for political as well as economic openness. President Clinton's new approach, while partially linking MFN and our problems with China, also has the flexibility of other sanctions with which to deal with the problem areas while reestablishing prospects for cooperation on issues of common interest.

As for our legal requirement that MFN be extended on the basis of open emigration, most observers believe that China meets the legislated test on emigration, despite foot dragging on exit visas for some political dissidents and their families. As Deng Xiaoping ominously retorted to President Carter during his 1979 visit to Washington: Are you prepared to take 10 million?

USTR SHOULD ACCEPT PENDING
GSP PETITION ON WORKER
RIGHTS VIOLATIONS IN MEX-
ICO—PART 2

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. BROWN of California. Mr. Speaker, last week the Chairman of the Government Operations Subcommittee on Employment, Housing, and Aviation, Congressman COLLIN PETERSON and his colleagues held an extraordinary oversight on labor laws and practices in Mexico. Despite all that has been said and written about positive changes in Mexico in recent years and the proposed North American Free-Trade Agreement [NAFTA], this was the first time that Mexican workers were able to testify before the Congress.

In their testimony, these workers detailed the inner workings of the government-controlled labor movement in Mexico and how they had been blacklisted for having attempted to exercise their basic right to organize independent trade union locals at the Ford plant outside Mexico City and elsewhere.

I urge my colleagues to read the testimony offered in that hearing. It bears out why the USTR absolutely should accept the pending GSP petition which alleges in detail an egregious pattern of systematic labor repression throughout Mexico.

The first installment of the pending petition appears at page E1794 of the Extension of Remarks for July 15, 1993. Following is the second installment of the pending petition.

II. ADMINISTRATIVE BARRIERS TO FREEDOM OF
ASSOCIATION

Besides legislation, workers are also marginalized through regulations that estab-

lish procedures for the administration of the law. In this respect, the Petitioners call the attention of the committee to the following aspects of Mexican administrative practice:

(a) The implementation and practice of collective agreements: in order for a collective agreement to be honored, the government requires that a contract be formed between a union and a corporation exclusively through their legal representatives. This interpretation professionalizes the system of collective bargaining and allows union secretaries-general to negotiate contracts without having to reference the positions of members within the union or submit to a vote. Thus workers are required to carry out the terms of contracts without having any access to the process of negotiation.¹

(b) Union Registration: "Union registration keeps unions under government control and prevents autonomous unions from forming. Only those groups that have previously subjected themselves to central affiliates of the ruling party (PRI), such as CTM or CROC, or are supported by a corporation, win legal registration." (Arturo Alcalde, *Inside Mexico: A Critique of the U.S. State Department Country Reports, Worker Rights News No. 5*, at 11, henceforth "Alcalde")

Laura Carlsen, a Business Mexico editor, describes the problem in this way:

"Corporatist unions hold many strings enabling them to dominate organized labor. Foremost among them is their relation to federal, state, and local labor authorities. Besides having the power to deny registration to independent union, labor authorities may declare strikes "nonexistent" on supposed technicalities, control ratification of union election through the Boards of Arbitration and Conciliation, and participate in national policy making as the labor representatives on regulatory and policy commissions. Given the agreement between corporatist unions and the Mexican government, and particularly their usefulness in stemming the workers' demands and harvesting their votes, these unions constitute a critical part of the system of rule in Mexico. (Mexico: A Country Guide, at 186.)

This view is confirmed in carefully circumscribed language by the State Department's 1992 Human Rights Report on Mexico, "in theory, registration requirements are not onerous, involving the submission of basic information about the union in order to give it legal status. There have been repeated allegations by labor activists, however, that the federal and state labor authorities improperly use this administrative procedure to withhold registration from groups considered disruptive to government policies. Privately, trade unionists supportive of the government and even employers say this occurs." (Country Report at 449)

(c) Juridical control of unions through the periodic recognition of union directors: "Control of trade unions is not limited to the registration process. Union boards of directors' style of governing is considered authoritarian at best. With term limits of two to four years, newly selected board members must respond to labor authorities to obtain a register for the board's existence. The length of this registration period varies, depending on the union's existence. The length of this registration period varies, depending on the union's conduct. Unions must obtain state ratification to initiate any formal ac-

tion. Thus a union must negotiate its very existence periodically in order to represent workers in bargaining." (Alcalde at 11).

III. POLITICAL BARRIERS TO FREEDOM OF
ASSOCIATION

The problem facing workers is not only one of forced affiliation to the PRI by the requirement that they join one of the CTM unions. It is also a question of political loyalty, which can be read as subordination to the interests of the government. The official unions are all members of the state-party, PRI, through their affiliation with the Congreso del Trabajo, (CT) the labor-sector organization of the party. When the CTM does not serve its purpose, the government goes to the CROC, the CROM or other confederations and uses them as a counterweight to CTM. So the problem resides in the government continuously interfering in the internal life of the unions and subordinating them to the government's policies.

According to the Department of State report on Mexico, "About 30 or 35 percent of the total Mexican work force is organized in trade unions, most of which are members of several large union confederations, known as labor centrals. Mexican unions may join together freely in labor centrals without the government's prior approval but require registration in order to have legal status. As with union registration, there is evidence this requirement can be misapplied to function as a restriction. It took from early 1990 until September 4, 1992, for one new labor central whose members were all well established, registered trade unions, to obtain its registration. In this case, although the new central's member unions were all Labor Congress (CT) members, they had been outspokenly critical of traditional leadership of the Congress".

"... The tradition of significant presence of union officers in the government, especially in elected positions, and the continued union influence in the nominating process for PRI candidates at all levels of government, perpetuates a symbiotic relationship that limits the freedom of action of unions. (Emphasis added) For example, union officers support government economic policies and PRI political candidates in return for having a voice in policy formation."

As Jerome L. Levinson notes, "There is a built-in conflict of interest between the role

The CTM, for example, is so "democratic" that the same leadership has been in charge for 50 years. The leadership is corrupt and quite distant from the interests of the workers. Some of the national leaders of the Labor Congress, such as Joaquin Gamboa Pascoe (the CTM boss in the Federal District) and Leonardo Rodriguez Alcaine (the boss of the largest union of Electricity Workers) are among the wealthiest men in Mexico. CTM President Fidel Velazquez, aged 92, has lost clout with the government and his calls to arms and threats to strike are no longer taken seriously because they are most of the time recognized as pure rhetoric to try to induce the government to negotiate with him. CTM assemblies are very much like PRI assemblies, in which the incumbents re-elect themselves to office without any true participation of the rank and file membership.

IV. JUDICIAL BARRIERS TO FREEDOM OF
ASSOCIATION

The lack of autonomy of the labor justice administration system is evident in the Federal Conciliation and Arbitration Boards, tripartite tribunals composed of government, corporate and official union representatives.

¹cf. Arturo Alcalde, "Inside Mexico: A Critique of Worker Rights Coverage in the US State Department's Country Report on Human Rights Practices," *Worker Rights News*, No. 5, Spring, 1993 (Washington, DC: ILRERF), p. 11.

Since the government (or state party) controls the naming of the official union representative as well, its position is guaranteed to prevail. "These Boards were given extraordinary power to resolve industrial disputes, and thus the fate of Mexican workers was delivered into government hands", (La Botz, *Mask of Democracy. Labor Suppression in Mexico Today* at 43)

The same is true of the National Commission of Minimum Wages, which "... is made up of representatives of labor, management and the government. Since the government and labor representatives are members of the PRI, the government is in effective control of the commissions, and is thereby able to set the minimum wage at a level consistent with the

The most flagrant recent example of the result of this distorted and politically manipulated adjudication system is the Volkswagen strike in Puebla in 1992. This incident is recounted by Levinson as follows:

"The company unilaterally reduce wages and benefits and changed work rules, provoking a strike by the membership.² Under Mexican law, the procedures for initiating a strike are governed by detailed rules when these rules are followed, workers cannot be permanently replaced (in contrast with labor law in the U.S.) Where, on the other hand, there is any deviation from the rules, workers are left unprotected. The company can go to a government Arbitration and Conciliation Board to have the strike declared illegal. Following such a declaration, the company may dismiss its workers, who then lose all rights to severance pay and other benefits." "Dismayed by the unilateral changes mandated by the company, the Volkswagen workers did not follow all the rules governing work stoppages. Volkswagen, advised by the best lawyers in Mexico City, brought an action before the Arbitration and Conciliation Board and the Board found the strikers had not followed the designated procedures and that the strike was therefore illegal. Volkswagen was able to get rid of the most defiant workers and impose its revised conditions. As the London-based Financial Times observed, Volkswagen 'almost certainly acted with the tacit approval of the government.'" (Unrequited Toil at 9)

(The April 19, 1993 issue of Business Week documented the direct role of President Salinas in breaking the Volkswagen strike. See Appendix V.)

After the Arbitration and Conciliation Board had declared the strike illegal, the company was free to fire any workers who did not return to work within 24 hours.

V. OFFICIAL THREATS AND VIOLENCE AGAINST ORGANIZED WORKERS

The pattern of government intimidation of unions has been to put pressure on the lead-

²In the period from June to August, 1992 an intense conflict occurred between workers and management. The company supported a splinter faction within the union leadership and signed a secret agreement with the leaders of that faction. "The terms of this accord allowed Volkswagen to replace the existing collective agreement with one based on the new "Japanese" style of production, including work teams, quality circles, increases sub-contracting, etc." The majority of the union rejected the settlement and accused the company of bribing the leader who signed with a payment of \$160,000. A meeting of some 8,000 unionists on August 15 voted unanimously to remove the union head who had signed the contract from office and to hold new elections. The government refused to recognize the decision. Two days later the Federal Council of Arbitration and Conciliation ruled that the German auto transnational was free to rescind its contract with its entire workforce.

ership of the unions to favor an alignment with the government's policies. If this does not work, then the next step is to block the possibility of a strike. If the workers go on strike anyway, the next step is to declare it illegal; if this still does not stop them, then the company is liquidated and the workers are fired. This pattern has been observed in many cases: the National Institute of Nuclear Energy, Aeromexico, Tepepan, Cananea Mining Co., Maquiladora workers, etc., which are documented in La Botz' study (Appendix VI).

The recent policy of massive layoffs, largely due to business streamlining and Privatization, has elicited an increased level of social unrest among workers. A wide array of workers has mobilized to protest these layoffs. The government has strenuously tried to block these mobilizations, using different means of repression against the workers. Recent examples abound:

(a) On the 23rd of May, 1992, in the State of Tabasco, dozens of Pemex's ex-workers including five women were beaten and wounded in the course of a violent suppression of a demonstration of the ex-workers by anti-riot public security forces. The workers were demonstrating in demand of the payment of lay-off indemnization which are required by law.

(b) On May 25, 1992, workers of Omnibus de Mexico, (Buses of Mexico) were arrested by members of the Mexico City's general prosecutor (PJDF), who seized their belongings and threatened them. This happened right after they held a union meeting to challenge the union leader.

(c) On June 1, 1992, in the State of Veracruz, Juan Meza Garcia and his companion, Ernesto Veras, were forced by police to interrupt a hunger strike in protest of having been fired from their jobs at Pemex. They were forcibly taken to the hospital to be attended.

(d) On August 11, 1992, Raul Pineda, the official mayor (deputy for administration and personnel) of the Ministry of Agrarian Reform, ordered the violent dispersion of a demonstration of 80 workers inside the ministry's buildings.

Another example of the suppression of labor rights is the participation of goon squads in internal elections in the unions. The 1991 Petition by McGaughey et. al. documented this pattern in connection with the Ford Motor Company and the Tornel Rubber Company.³ However, these are but a few recent examples of a pattern that is longstanding, and that persists.

Almost three and a half years after a Ford-Cuautitlan worker was assassinated,⁴ nobody has yet been arrested despite the fact that the National Commission on Human Rights issued its Recommendation 22/92, which recommended the arrest of one of the main perpetrators of that crime, and a warrant for his arrest was issued.

Other recent examples include:

³In the GSP Committee's Response to the 1991 Petition (at 8), it is stated that: "Petitioners claim that the violence prevented dissidents from voting in the election that the CTM eventually won. They do not support this claim with evidence." For a listing of the evidence of this violence and its source, cf. La Botz, *Mask of Democracy: Labor Suppression in Mexico Today*, pp. 144-147, which is appended to this Petition as Appendix I. Similar documentation to demonstrate a pattern of government-or-CTM-investigated violence in the cases of the labor conflicts at Pemex Oil Co. (1989), Cananea Mines (1989), Modelo Brewery (1990), and Ford Motor Company (1991) is included in this appendix.

⁴For details of this incident, which are not challenged, see the 1991 Petition.

(a) On May 9 1992, an armed group of the CTM headed by J. Guadalupe Uribe tried to disrupt and prevent the union's recuento (a vote within a union to determine whether to change the union's affiliation from CTM to CROM), in the corporation Latinoamericana de Vidrio (Latinoamerican of glass), located in Naucalpan, State of Mexico. Guadalupe Uribe was one of the men who participated in the CTM armed disruption of a worker strike at the Ford Cuautitlan plant on January 8, 1991.

(b) On May 12 1992, an armed group attacked 1,500 workers of Altos Hornos de Mexico, S.A. (AHMSA), who were holding an assembly to replace the leader of the union. 100 workers were wounded, 15 of them gravely.

(c) On July 30, 1992, approximately 100 workers of Pemex in Veracruz were attacked by the Security Guards of the company, with beating and gunshots while demonstrating in the headquarter of the 11th section of the union. They were asking for the payment of benefits that had been withheld.

(d) On August 5, 1992, workers of the Ministry of Agriculture and Aquatic Resources, which were affiliated to sections 1 and 70 of the union, were violently evicted by 60 men while holding a demonstration about wages and benefits increases. Bernardo Medina Austria and a Cutberto Cruz were kidnaped and held for five days by unknown men.

SALUTE TO CDSI ON ITS 25TH ANNIVERSARY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mrs. MORELLA. Mr. Speaker, I rise today to salute one of Maryland's most dynamic and community-minded companies, Computer Data Systems [CDSI] of Rockville, on its 25th anniversary.

The anniversary—this month—comes at a time when CDSI has just been honored by the Montgomery County Technology Council and the Suburban Maryland Technology Council as High Tech Firm of the Year for "best representing the characteristics of technology growth and development and economic contribution in Montgomery County." The award is a real tribute to chairman of the board Clifford Kendall, president and CEO Gordon S. Glenn, and the company's more than 3,600 other professionals working in 42 States.

Founded in 1968 by Clifford Kendall and two other businessmen, CDSI has been a phenomenal success story, growing steadily from the original handful of employees to its current status of having employees at 81 locations from Colorado to Alabama to Massachusetts. Approximately 1,500 of CDSI's employees are located in the Montgomery County, MD, area. Total revenues for the last 3 years have exceeded \$400 million, with assets greater than \$60 million. CDSI provides information technology solutions on more than 160 current contracts, primarily with Federal civilian and military agencies. The company also sells financial systems products. In recognition of CDSI's efforts, the company has been honored by Government Computer News "for outstanding leadership and performance in providing information technology capabilities to the federal government." *Forbes Magazine*

has twice listed CDSI as one of the 200 best small companies in the country.

The firm's various community service projects have also earned honors. For example, CDSI has received a number of certificates of appreciation from the city of Rockville and the Montgomery County public schools.

I ask my colleagues to join me in congratulating CDSI—and its leaders, chairman of the board Cliff Kendall and president and CEO Stonie Glenn—on its 25th year as a forward-looking company and important employer in Montgomery County, MD.

**LEGISLATION TO PROVIDE FOR
OVERSIGHT OF THE JOINT TRIBAL/
BIA/DOI ADVISORY TASK
FORCE ON BIA REORGANIZATION**

HON. CRAIG THOMAS

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. THOMAS of Wyoming. Mr. Speaker, I rise today on behalf of myself, Representative RICHARDSON, chairman of the Subcommittee on Native American Affairs; Representative YOUNG of Alaska, ranking Republican on the Committee on Natural Resources; and Representative CALVERT, to introduce legislation to return oversight of the Joint Tribal/BIA/DOI Advisory Task Force on the Bureau of Indian Affairs Reorganization to the Committee on Natural Resources.

The task force represents a nonpartisan effort by the Tribes, the Department of the Interior [DOI] and the Bureau of Indian Affairs [BIA] to reorganize the BIA. In 1990, the Tribes rejected the BIA's unilaterally produced Blue Book reorganization plan because they were not included in its formulation. At the request of the Tribes, Congress halted the implementation of the Blue Book plan and in the DOI's Fiscal Year 1991 Appropriations Act mandated the establishment of the task force, thereby giving the Tribes full participation in any future reorganization effort.

Congress continued the Fiscal Year 1991 Interior Appropriations Act language mandating the task force in both the 1992 and 1993 fiscal year acts. The Fiscal Year 1993 Appropriations Act included language providing that any reorganization proposal may not be implemented until:

(1) The task force has reviewed the proposal and recommended its implementation to the Secretary of the Interior, and

(2) The proposal has been submitted to, and approved by, the Appropriations Committees, except that the Bureau may submit a reorganization proposal related only to management improvements along with task force comments or recommendations to the committees for review and disposition.

This same approval language was included in H.R. 2520, the fiscal year 1994 Interior appropriations bill, but was struck from the bill under a point of order during consideration last week in the Committee of the Whole as violative of clause 2(b) of the House rule XXI.

Mr. Speaker, the bill I introduce today would reinstate this language with one important change, it makes any reorganization plan sub-

ject to the approval not of the Appropriations Committees, but to the approval of the authorizing committees, the House Committee on Natural Resources and the Senate Committee on Indian Affairs.

It seems to me that it makes eminently more sense for this important oversight function to lie with those of us charged with the day-to-day supervision of Indian Affairs, rather than with committees whose jurisdiction lies elsewhere. This is especially true in this case, since the Subcommittee on Native American Affairs has taken a keen interest in this topic this session. Our first hearing this Congress was on the task force's 1992 report, and we conducted a field hearing on the task force in my home State of Wyoming this last April.

Mr. Speaker, I look forward to working closely with Chairman RICHARDSON on moving this legislation swiftly through the House.

NETWORK DISCRETION ADVISED

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. OXLEY. Mr. Speaker, over the last several months, the Subcommittee on Telecommunications and Finance has held three hearings in order to investigate the problem of violence on television. Prior to the last hearing, the witnesses, the networks, and the Motion Picture Association of America, convened a press conference at which they proudly unveiled their parental advisories proposal. Had it not been for the pressure of Congress, I doubt that they would have done this. Nevertheless, they offered up these advisories as a solution to the problem. In effect, they simply threw the problem and shifted any subsequent blame on the parents.

I would like to submit the column by Colman McCarthy, from the Washington Post. It illustrates the sham behind these parental advisories.

NETWORK DISCRETION ADVISED

(By Colman McCarthy)

Parental advisories on network television that will soon warn viewers about violent programs need advisories of their own: "Warning: The advisory that's about to appear on your screen is an exercise in fake reform."

ABC, NBC, CBS and Fox yielded almost nothing to their congressional critics when agreeing to screen an eight-word program warning: "Due to some violent content, parental discretion advised." For a cop show or a prime-time movie of the week, an honest leveling with the audience—truth in labeling—would mean warnings that would sound something like this: "The following program depicts six murders with handguns, three stabbings, four beatings of women, two rapes, seven fistfights, four people thrown out of penthouse windows, two high-speed chases ending in head-on collisions, three dynamitings of office buildings, one assassination, two acts of arson and three rifle butts to the jaw. Parental discretion advised."

Network discretion, not parental, is the issue. Television executives have proven they lack it entirely, along with the advertisers who put up the money for the simu-

lated gore. Discretion would have moved the networks decades ago to resist the easy profits of violent programs. Instead they pandered to the community by appealing to the basest part of it, those who are passively entertained by graphic violence.

Congressional investigations of the problem have a history of nearly 30 years, a long-playing sitcom of inefficiency. Reports on television violence were documented by congressional committees in 1954, 1961, 1964, 1970 and 1977, with a surgeon general's statement in 1982—updating one in 1972—that excessive television violence leads to violent behavior among children and teenagers. This is as accepted a fact as that cigarette smoking leads to lung cancer, otherwise television executives would have kept resisting.

The cautionary advisories to which the industry agreed are no more than the mildest of tetherings. Programmers themselves will define the violence. Children's cartoons, 95 percent of which have violent themes, are unaffected. Officials at network departments of broadcast standards—don't laugh, they are serious—issued the predictably pious pronouncements of concern after the latest congressional flare-up.

But the money men down the hall remain arrogantly unbowed. Their message: The violence, labeled or not, will stay. The president of NBC's entertainment division preened like the network peacock: "We are in the leadership position here—we're the broadcast industry."

Defending the blood-spilling on his channel, the president of the CBS Broadcast Group said, "We don't want to turn the vast wasteland into the dull wasteland." And representing the film industry that supplies much of the gore for television, Jack Valenti, Hollywood's prop in Washington, asked, "Where can you take [the violence] out and keep the suspense you want?"

The executives' message to Congress and those demanding reform is, get lost. Collectively, that part of the entertainment industry—television and Hollywood—which markets violence is run by crass people with zero sense of social responsibility. "TV is not the sole culprit," says Valenti. True. But it still is one.

While others work to decrease the country's violence—citizens pressuring for stronger handgun laws, counselors in shelters for battered women, social workers trying to keep families together, educators teaching conflict resolution and peace studies, anti-war organizations—television executives exempt themselves.

An unanswered question is how the pushers of television and film violence—from scriptwriters and actors to the advertisers who pay for it—live with themselves. Do they tell their children that they earn their living by appealing to the worst in people? Is making money so important that they are willing to befool themselves and the airwaves with uncreative gore that uplifts no one? That's the leadership position?

Anger at this hauteur can be channeled: informing advertisers of personal boycotts, supporting groups that are pressuring the Federal Communications Commission to regulate the violence, or junking the TV set entirely. The public is not without choices.

ALASKA OIL EXPORT
RESTRICTION LEGISLATION**HON. MARIA CANTWELL**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Ms. CANTWELL. Mr. Speaker, I rise today to join Congresswoman OLYMPIA SNOWE in introducing a bill to amend the Export Administration Act of 1979 to indefinitely extend existing restrictions on the export of Alaska North Slope crude oil. I am pleased that Congresswoman SNOWE, who has played a leadership role on this issue in the past, is once again cosponsoring this bipartisan effort to promote our Nation's energy security.

When the construction of the trans-Alaska pipeline was authorized in 1973, it was understood that the oil flowing from this domestic resource would be used for the benefit of American consumers and American industry. Since that time, Congress has consistently expressed its support for restricting the export of Alaskan North Slope crude oil in the Export Administration Act.

Under these restrictions, North Slope crude may be exported only if it is in our Nation's interest and the interest of American consumers. In the past, the restrictions set forth in section 7(d) of the act have been linked to the expiration date of the entire act. We think that Congress should now explicitly extend section 7(d) so there is no question that the export restrictions will remain in place. Congress will be debating a total rewrite of the Export Administration Act later in this Congress. This is the time and the place to finally put to rest this issue by permanently restricting the export of Alaskan North Slope crude oil.

Mr. Speaker, these measures have been in place for nearly two decades and have provided enduring benefits for our Nation. Today, Alaska North Slope crude represents approximately one quarter of the entire U.S. crude oil output. These restrictions have made our Nation less dependent on oil imports. At a time when our country is importing nearly 50 percent of the oil we need, it simply does not make sense to open the door to exporting our own resources. To permit the export of Alaskan North Slope crude would dramatically increase our dependence on foreign oil. Moreover, every barrel of oil we export from Alaska will have to be replaced by foreign oil at a greater cost. Exchanging American oil for more expensive foreign oil is at best a questionable policy.

Increased dependence on foreign oil would not be the only cost of permitting the export of Alaska North Slope crude. We also would be opening the door to exporting hundreds, perhaps thousands of jobs in shipping and shipbuilding industries. The oil that is exported from Alaska would leave on foreign-crewed, foreign-flagged ships that are built abroad. The oil we would have to import to replace our own domestic crude would enter this country on foreign ships as well.

American shipbuilders have been counting on greater demand for their services since the passage of the Oil Pollution Act of 1990. Under this law, all tankers operating in U.S. waters must eventually be double-hulled, lead-

ing to a significant amount of new ship construction in American shipyards. The shipyards in my State, and States throughout the country, hope to participate in building these new vessels. But if the cargo itself, Alaskan North Slope crude oil, is exported, many of these opportunities will be lost.

Today, the movement of Alaska North Slope crude keeps approximately 43 U.S.-flagged tankers operating full-time. The Alaskan oil trade has been very important in maintaining American

Over the past 20 years, we have built and maintained a secure transportation, refining and distribution system for Alaskan North Slope crude oil. This has led to the creation of jobs on-board ships and in repair yards, jobs for those who supply and service both industries, and jobs in refineries along the west coast. For example, there are 6 refineries in my State providing more than 300 jobs. We should not put these jobs at risk by permitting the export of Alaskan oil.

This resource is particularly important to Washington State. At present, Alaskan oil accounts for approximately 90 percent of the supply for the six refineries operating in the Puget Sound area. Over the first 4 months of 1993, these refineries, supplying consumers in Oregon and Washington, have run an average of 500,000 barrels per day of Alaskan crude. If exports were permitted, these refineries would face higher crude prices, that if passed on, would lead to higher prices for petroleum products and higher prices at the gas pumps. My constituents and the citizens of Oregon should not be forced to pay more at the pump simply because a few affected interests want higher profits.

For these reasons, I urge my colleagues to support this legislation. Export restrictions on Alaskan oil are important for our economy and our long-term energy security. They provide good jobs for our American workers in industries that need to be strengthened, in industries we cannot afford to erode with this shortsighted attempt to alter our nation's energy policy.

Section 7(d) of the Export Administration Act should be extended indefinitely.

A 50TH ANNIVERSARY TRIBUTE TO
THE DELANO CHAMBER OF COMMERCE**HON. CALVIN M. DOOLEY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. DOOLEY. Mr. Speaker, I rise today in celebration of the 50th anniversary of the Delano, CA, Chamber of Commerce.

The Delano Chamber of Commerce had its unofficial inception in 1924 to meet the needs of fledgling local businesses, and was officially incorporated by the State of California in 1943 as a nonprofit organization to further business enterprise.

The Delano Chamber of Commerce has continued to grow and meet the needs of an economy evolving from purely agribusiness to one of diverse complexity.

The Delano Chamber of Commerce will be installing officers and directors for the 50th

time since it was first incorporated on July 22, 1943.

I would like for the Congress of the United States to recognize the valuable contribution made by local chambers of commerce. They are advocates for businesses that are the lifeblood of the American economy. I urge that the Delano Chamber of Commerce be recognized during its golden anniversary as a representative of the free enterprise spirit that has helped to make the United States the leader of the free world.

CAPITOL POLICE OFFICERS
DESERVE MEDAL OF VALOR**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. TRAFICANT. Mr. Speaker, I rise to commend Sgt. David G. Wells and PFC Virgil L. Van Fleet of the U.S. Capitol Police for their heroic off duty actions last year in assisting victims of an automobile accident on the New Jersey Turnpike. I believe that both these brave men should be awarded a Medal of Valor by their department.

Mr. Speaker, on September 26, 1992, Sergeant Wells and Private First Class Van Fleet were off duty and en route to New York City traveling on the New Jersey Turnpike. The two officers came upon a truck which had overturned. As Sergeant Wells and Private First Class Van Fleet approached the accident scene, they observed that no emergency vehicles had arrived. They identified themselves to people on the scene as police officers and inquired if there were any injuries. They were directed to one victim who was receiving assistance from citizens on the shoulder of the road, and another victim who was pinned, upside down, in the front section of the truck. The victim was trapped under crates of melons.

Sergeant Wells and Private First Class Van Fleet immediately went to render assistance to the victim inside the truck. They observed that the victim was bleeding profusely from the back of the head, acid was leaking from the truck's battery and gasoline was leaking from the gas tank—and flowing toward the victim. Sergeant Wells entered the truck through the rear doors, making his way through crates of melons to get to the victim. As Sergeant Wells was making his way toward the cab of the truck, the smell of gasoline became stronger. Fearing the truck was going to catch fire and explode, Private First Class Van Fleet ordered everyone to move away from the truck. At the same time Sergeant Wells courageously made his way to the victim, Private First Class Van Fleet—with no regard for his own safety—took a tire iron, smashed in the front window and assisted Sergeant Wells in removing the injured victim from the truck and getting the victim to safety.

Without question, Mr. Speaker, the decisive and courageous actions taken by Sergeant Wells and Private First Class Van Fleet saved the victim's life. I am not surprised by their actions. The U.S. Capitol Police department is one of the best trained and most professional law enforcement agencies in the country. I am honored to be protected and served by the fine men and women of the Capitol Police.

Sergeant Wells and Private First Class Van Fleet are dedicated law enforcement professionals who have served the Capitol Police with honor and excellence. Their heroic actions on the New Jersey Turnpike last September are a credit to the Capitol Police and

to the courage and dedication of these fine officers. Not surprisingly, the television show "Top Cops" is considering doing a piece on Sergeant Wells and Private First Class Van Fleet.

Once again, Mr. Speaker, I commend Sergeant Wells and Private First Class Van Fleet. They deserve the praise and recognition of Congress, and they most certainly deserve a Medal of Valor from the Capitol Police department for their heroic actions last fall.

TRIBUTE TO THE SPANISH BROADCASTING SYSTEM AND ITS PRESIDENT, RAUL ALARCON, JR.

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1993

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to the Spanish Broadcasting System, and its president, Raul Alarcon, Jr. In a ceremony tomorrow evening the Spanish Broadcasting System will be honored as the Outstanding Hispanic Business of the Year by the National Hispanic Business Group.

With a succession of triumphs over the last several years the Spanish Broadcasting System has become a major presence in Spanish radio markets around the Nation. I myself was

an early listener to WSKQ-FM, which upon acquisition by SBS in 1989 became New York City's first Hispanic FM station. SBS greatly expanded its reach in 1991 by establishing a satellite Spanish-language news service throughout the continental United States. In 1992 it inaugurated a satellite Spanish language entertainment format in our Nation's three largest Hispanic markets. And this year, station KLAX in Los Angeles, which became an SBS network affiliate in 1988, achieved the number one ranking in that city's very competitive Hispanic market.

Mr. Speaker, the breadth and strength of the Spanish Broadcasting System is clear testimony to the business acumen of its leadership, in particular that of SBS president, Raul Alarcon, Jr., and the superior efforts of all who work for it. I hope my colleagues will join me in paying tribute to this truly outstanding Hispanic business.

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SENATE—Wednesday, July 21, 1993

(Legislative day of Wednesday, June 30, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado.

The PRESIDING OFFICER. This morning's prayer will be offered by our guest chaplain, the Reverend Philip Mitchell of the First Congregational Church of Binghamton, NY.

PRAYER

The Reverend Dr. Philip H. Mitchell, of the First Congregational Church, Binghamton, NY, offered the following prayer:

Let us pray:

God of all nations—eternal and omnipotent God—we in this seat of power pause humbly before You.

We respect, our God, the power to govern that resides in this place—the "yea" or "nay" in this place that comes down with solid influence on the lives of people in every corner of this land: from the hills of New England to the shores of Hawaii, from the mountain peaks of Alaska to the fruit farms of Florida. We are mindful, also, our God, that what is done here will touch the lives of people well beyond the borders of our Nation—people as real as we are who, also, ride this planet for a time.

May Your blessing rest on all who have come here to govern in this seat of power. Grant to each one: eagerness to receive your inspiration, readiness to be instruments of peace and justice, sensitivity to Your leading, openness to new adventures for the common good, and awareness of the joy as well as the burden of the public trust. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The ACTING PRESIDENT pro tempore. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 21, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CAMPBELL thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 12:45 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each. The first 30 minutes shall be under the control of the Senator from Arkansas [Mr. PRYOR] or his designee.

The Senator from Arkansas.

PRESIDENT CLINTON'S DEFICIT REDUCTION PLAN

Mr. PRYOR. Mr. President, we think it would be fitting this morning, pursuant to the unanimous-consent order, that we begin now to set the record straight regarding the \$500 billion deficit reduction plan offered by the President and approved by the Senate, which is now subject to a conference between the House and the Senate.

At this time, I yield 10 minutes to the very distinguished Senator from North Dakota, Senator DORGAN.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

SMALL BUSINESS AND THE PRESIDENT'S PLAN

Mr. DORGAN. Mr. President, there has been no stronger voice for small business in the Congress than Senator PRYOR. I am here this morning to speak briefly about how the President's plan affects small business. That is important to me because my State of North Dakota is very much like old England: A nation of shopkeepers.

We are a State of small businesses. If this President's proposal was unfair to small business, I would not support it. It is just that simple because small business is important to North Dakota and to the economic future of this country.

Let me digress for a moment to talk about something that has happened in the last couple of days. I have a couple of small children. We sent away for an ant farm for our kids, through a catalog. I had never seen an ant farm, but they actually market ant farms in a catalog for kids. It is a little thin plastic box. You put sand and ants in it, you feed them, and you have an ant farm. You could watch it all day if you had the time.

Our kids are mesmerized by this ant farm. Those ants work all day and night, moving sand from one side of the ant farm to the other side. When they are done, they move it back again. They just keep working.

The instructions state that if you have trouble getting the ants into the ant farm, put the vial of ants in the refrigerator for 15 minutes and that will slow them down.

I have been watching this little ant farm for a few days. They are busy. I thought, there is something vaguely familiar about this. It is where I work. It is Washington, DC, with the bureaucracy. It is Congress. For the last decade, everybody has been busy and nobody has been getting it done. We have been moving back and forth—the Presidents, the Federal agencies, the Congress—but nobody has gotten the job done.

Nobody has achieved an approach that solves this country's economic problems. Then we have a new guy come to town, a President who says, "Look, we have to stop just being busy and start getting things done for this country. We have to fix our fiscal policy so that we stop spending money that we do not have on things we do not need. We must not mortgage away our kids' future. We do that with a new fiscal policy"

And he proposes it. A new fiscal policy, all of us understand, takes eminently more skill to construct than it does to destruct. Someone once asked a construction foreman as a crew was tearing down an old church with a big wrecking ball: "You know that crew you have tearing the church down, does that require the same skill as if that crew built this church?" He laughed. "No, not at all. If I need to build this church, I need to bring in craftsmen and tradesmen who know how to build and construct. It doesn't take any talent to tear down this church. I can find anybody to tear the church down."

The point is that it is easy to destroy, and it is easy to criticize. Today, we are going to talk about one point of criticism that has been targeted at this President's budget approach. I am talking about the criticism that the President's plan is fundamentally wrong. That angers me. I do not mind strong debate on the merits of a policy. If we believe in one thing and somebody else believes in another, let us debate it to determine the merits of this debate.

But on the issue of how this President's plan to fix this country's economy affects small business, here is

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

what this debate is about. This is the Wall Street Journal. No liberal publication. This is the voice of business, and the digest of the American dream, I guess they call it. It largely takes the position of business in this country. I want to read this headline. This is the Wall Street Journal, Tuesday, July 20—that is yesterday: "Foes of Clinton's Tax-Boost Proposals Mislead Public and Firms on the Small-Business Aspects."

Mislead—not mistake, not overstate—mislead. Let me read just parts of this article. We have just blown up the headline so the American people can understand what the business journal says the foes of this President's plan are doing. They are misleading about its impact with respect to small business.

A woman named Dottie Cieszynski was at a press conference in Montgomery, AL, called by the antitax Citizens for a Sound Economy group. Dottie showed up. She owns a small business, and she was warned that the President's plan would destroy her business. One problem: Her business, Central Alabama Nursing Services, is so small that her tax rate would not go up at all with President Clinton's plan, according to the Wall Street Journal.

Mrs. Cieszynski said she was asked to go to the news conference by a local public relations firm. She thinks the firm got her name from the National Federation of Independent Business, of which she is a member.

So they said come to a press conference and talk about how awful this is going to be for her business. So she does, not understanding that her business is not going to be affected.

The President's plan on its merits is a proposal that is good for small business. Yes, some are going to pay more in income taxes—about 4 percent. But what is the corollary of that? Ninety-six percent of small businesses in this country will not pay higher income taxes under this President's plan no matter what the chamber of commerce says, no matter what the National Association of Manufacturers says, no matter what the NFIB says, no matter what special interest groups say. Facts are facts. Ninety-six percent of small businesses will not pay higher income taxes under the President's proposal. When these groups attempt to mislead small businesses into thinking they are all going to be shut down by this tax proposal, I say it is dishonest politics.

Let me suggest to small business what is in this plan. For those 96 percent that are not going to pay higher tax rates. This plan will more than double the expensing provisions for small businesses that purchase new equipment. That is going to be significant for many more small businesses that otherwise would have to amortize the cost. They can expense it immediately right out of the box. That's a good thing for small businesses.

This plan is going to provide some targeted capital gains cuts for long-term investments in the startup and the expansion of small businesses. That is a good thing. That says let's look at those small businesses that are job generators, the real job creators and give them some real help.

Everybody understands we are paying lower interest rates these days. You cannot pick up the paper and not see those stories. Why are we including small businesses paying lower interest rates on their loans? Because the market and Wall Street and others understand this is the first honest deficit-reduction plan in a decade to reduce the deficit. The numbers are not phony. The economic assumptions are real. This is an honest plan that says let us grapple with this deficit problem right now.

This plan extends the ability of State and local governments to issue tax-exempt bonds for small businesses. It extends the 25-percent health insurance deduction for small businesses, and, yes, I would like to see that increased to 100 percent, but it had expired. This President reinstates the health insurance premium tax deduction at 25 percent. So this plan has some significant merits for small business.

When I see the Citizens for a Sound Economy, headed by a Republican from the Reagan and Bush administrations who is now running for public office, and when I see all these other groups that have their own agendas, I just remember again the story about the supervisor when he is asked does it take any talent to destroy? No, it does not take any talent. You can bring anybody off the street to start kicking and making a fuss.

But the facts are the facts. We should not be silent in this Chamber when this President finally, after a decade, stands up and says I am going to lead. Yes, I am going to be controversial; yes, I am willing to take some tough stands, but I am going to lead because this country's future depends on it. When he says that and he is subject to unfair criticism, dishonest criticism, and criticism aimed not at discussing the merits of the proposal but instead aimed at significantly distorting the proposal, then we cannot be silent.

The best interest of small business in this country is served by an economy that is vibrant, growing, and expanding. A growing economy will give all of us some opportunity for hope once again. That is what this President is saying with his plan. I hope that when the dust settles, we will be able to convince the American people what the facts are. If the Wall Street Journal says the other side is misleading on this subject, then it seems to me this plan merits our support.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. PRYOR. Mr. President, I yield so much time as he may need to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I take just another 30 seconds.

Once again, the easiest thing in the world would be to do nothing. That has been done around this town for a long while. We looked like the ants in the ant farm; everybody looked busy, but we did not have leadership. We were not doing anything. We were not getting the job done. This President says let us do it and let us do it right. And if it is tough, let us do it anyway. If it is controversial, let us tackle it.

I said on the floor once a verse about bullfighting that applies to this President: Bullfight critics row by row crowd the vast arena full, but there is only one man there who knows, and he is the one who fights the bulls.

This President has stood up and stood out and said we are going to tackle these economic problems head on. And it disserves the interests of this country and this President for these groups to mislead the public about the impact of these proposals on America's small businesses.

I thank the Senator from Arkansas for the time and look forward to listening to his remarks as well.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas is recognized.

THE EFFECT OF THE PRESIDENT'S BUDGET PLAN ON SMALL BUSINESS

Mr. PRYOR. Mr. President, I thank very much the distinguished Senator from North Dakota for his very fine address this morning to the Senate and also for the opportunity he has taken advantage of at the moment to bring forward the Wall Street Journal, Tuesday, July 20, 1993, story. I thought that this was one of the most meaningful journalistic contributions I have seen yet in this fight to do something about deficit reduction. I am very proud that a newspaper like the Wall Street Journal with the reputation that it has, especially in the business community, would basically say enough is enough and now it is time to get the truth out about some of the allegations that have been raised on the floor of the Senate with regard to the effect on small business of the deficit reduction plan that is now in the conference between the House and the Senate.

Mr. President, this particular proposal that is underway and under scrutiny which we have had for some weeks, it seems now, before the Senate and the House is, we hope, on the eve of being approved and implemented within our governmental structure so that we might bring the deficit down by some \$500 billion.

Mr. President, today we want to talk about small business and the effect on small business of this particular proposal, notwithstanding what the Citizens for a Sound Economy have said,

and eventually I think that this particular organization needs a little examination and needs a little illumination as to basically who they are, of whom they are made up, and how they are funded. I think this would go basically to the argument of their credibility.

Mr. President, only 4 percent of the small businessowners that file individual tax returns are going to be affected by the income tax changes in the Clinton deficit reduction plan—only 4 percent.

Mr. President, this is an additional chart. This is the chart which demonstrates who does not pay new taxes on small business, and basically those that do not pay any additional new taxes are 95.7 percent of the small businesses of America. Those that are taxed, basically, are about 4.3 percent of the entirety of the small business population.

Now, these are not necessarily mom-and-pop operations. These are large accounting firms. They are law firms. They are doctors. They are consulting firms. But they are classified as a small business. Now, 300,000 of these or 4.3 percent of the small businesses—and only 4.3 percent—are going to have to pay a little extra income tax. It is that simple.

We think the Wall Street Journal adequately points out what we have been saying, that this legislation is not only good for small business, it is certainly not detrimental to small business as some would have us believe.

I see my distinguished colleague from the State of Arkansas, and also my distinguished colleague, Senator BREAUX, from Louisiana, have come to the floor. We have a few more minutes of our time allocated to us.

Mr. President, I will yield to the very distinguished chairman of the Small Business Committee of the Senate at this time, my colleague, Senator BUMPERS.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas [Mr. BUMPERS] is recognized.

Mr. BUMPERS. I thank the Chair.

IMPACT OF THE PRESIDENT'S ECONOMIC PACKAGE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I thank Senator PRYOR for arranging for some of us to discuss the impact of the President's economic package on small business.

The art of politics is always to divert peoples' attention away from the hard realities. And in this case I was rather nonplused when the economic package was on the floor because I heard people from the other side of the aisle continue to talk about how this was going to impact small business. I did not challenge anybody. I thought maybe they knew something that I did not know. And, then suddenly, it dawned on me about the time that we finished that package, that it was a classic po-

litical diversion of attention; a distraction from what the real problem of the country is.

I remember when I was trying to get competitive leasing in the oil and gas industry on Federal lands. You know, we used to give away Federal lands for \$1 an acre. People would go out and find all kinds of oil for \$1 an acre that private industry would pay \$4 or \$5 an acre for.

Every time I brought it up on the floor—incidentally, it took me 8 years to change that to a competitive system—everybody talked about those poor mom-and-pop operators. It was not the poor mom-and-pop operators. They were retirees in Florida, sending in their names and going into a lottery just like powerball. They win the lottery, and then they go sell the lease to Exxon.

But all I heard about was the poor mom-and-pop operators. Incidentally, some of those poor mom-and-pop operators were not so poor, either. But it was a diversion away from the lunacy of the way we were leasing Federal lands for oil and gas exploration, and it is the same thing in this case, when people start talking about the impact on small business. Anything that adversely affects small business causes people on this floor to jump under their desks.

It is almost like Social Security. You mention a COLA, and everybody jumps under their desk. You talk about this economic package, which is absolutely essential to the survival of the Nation, and the people who gave us the same Siren song in the eighties that allowed this country to go \$4 trillion in debt and who blame the Democrats for causing it now say this solution is all wrong because it is going to affect small business. The truth of the matter is they do not want the wealthy people of this country to pay taxes.

Kevin Coates used to be one of the most conservative writers in America. He always championed that ultra-conservative cause. Suddenly, in the 1980's, the Reagan-Stockman policies brought him to his senses and he said, "You know, Let's face it. The historic mission of the Republican Party has been to keep the rich from paying taxes."

Having said that, let me make one other point, Mr. President. That is this: I get mail from pretty well-to-do people who say: I do not mind paying more taxes, but I resent the implication that there is something wrong with me because I make money.

You know, I agree with them. It is not fair. People who go out and drudge it out, duke it out, make it, and make a lot of money not only do not deserve our criticism, but they deserve our praise.

But the truth of the matter is if you are going to balance the budget, you have to cut spending and you have to

raise revenues. And where are you going to raise money? You have to raise it from the people who can afford to pay it, like Senator DAVID PRYOR, Senator JOHN BREAUX, and Senator DALE BUMPERS, and people who make a lot more money than we do as Senators.

But we need to be paying more. We should pay more, and we will under this bill. But when you consider the fact that the top 1.2 percent of the earners in this country are going to pay this, we are not talking about the backloader operator out building a sewer system and making \$30,000 or \$40,000 a year; he is not going to pay any more.

Among the small business people of this country—whether they own a C corporation, an S corporation, a partnership, or a proprietorship—only 4.2 percent will pay more taxes.

Mr. President, I am sure Senator PRYOR covered all of this before I got here—and I got caught in a terrible traffic mess this morning—but they have to make \$140,000 to \$180,000 before they get taxed. We are not talking about welfare people here.

You have to raise taxes, and you have to get it where the economy will be least adversely impacted. Somebody once said to Willie Sutton, "Why do you rob banks?" And he said, "Because that is where the money is."

That is the reason we have to raise taxes on the people who can afford to pay them. You think about the President's tasking of raising \$250 billion in taxes and cutting spending \$250 billion.

You think about an economy that is right on the precipice with unemployment hanging at 6.9 to 7.2 percent for 2 years, where anything could push us over. You think about trying to reduce the deficit by \$500 billion over the next 5 years, and trying to keep full employment at the same time. You talk about a tightrope act. And the same people who said in the eighties, "It is those Democrats causing this deficit to go out of control," are now blaming Democrats for stepping up to the plate and giving the American people the truth, no matter how unpleasant it is. It is not popular; of course it is not. I have never had anybody come up to me and say: Senator, please raise my taxes.

But here is the President, who said in yesterday's press conference, "You think this is timid. I am the first guy who has ever stepped up to the plate and said we are going to do something about the deficit."

And the same people who created the deficit while singing that Siren song of "Blame the Democrats," now say to the first President in the past 13 years to do something about the deficit, "Your solution is wrong because you are going to tax rich people." What is their solution? To take it from the most vulnerable.

When it comes to small business—I am probably being repetitious here—the President strongly favors my own small business capital gains tax. He said it yesterday. He was going to say it during his planned trip to Waldorf, MD. I do not know, since the death of Vince Foster, whether he is going to go to Waldorf or not. Bill Clinton and Vince Foster were like brothers. That is a massive tragedy, which I will speak about later.

So I do not know whether he is going to go or not. But I can tell you, if he does, he is going to tell the small business people there and all across America what we are doing for small business. He is going to say, "We are increasing the expensing of equipment from \$10,000 to over \$20,000." And he is going to say: I favor the Bumpers small business capital gains proposal, which will create 17,000 jobs a year for 5 years, over 80,000 jobs. And he is going to say, "And only 4.2 percent of the small business people of this country are going to be paying more taxes." What a deal. Who can quarrel with that?

Mr. President, I came here this morning just to say these few words in defense of the package, and I also want to say to my colleagues, particularly those who are on the conference: Do not back away from the \$500 billion figure. Do not make it \$400 billion; do not make it \$450 billion.

Alan Greenspan said yesterday, in testimony before a committee of Congress, "It has to be \$500 billion." I agree with Alan Greenspan on that. It has to be; it ought to be; and it can be \$500 billion. If we get bogged down in parochial fights—like whether the gasoline tax is going to be 4.3 or 4.5 percent—we are not going to get the package through Congress, and the President will have failed.

In my opinion, if this President does not succeed with this package, if this President does not succeed in getting this deficit down in his 4 years as President, it will not be the President who failed, it will be the U.S. Congress, and the people of this country are the ones who will suffer.

Mr. President, I compliment my colleague for arranging the time this morning for some of us to speak. I know some of the things I have said simply repeated what he already said. The reason I am shouting is because I feel passionately about it. I shouted for 12 years—8 years of Ronald Reagan and 4 years of George Bush. I shouted from this very desk. I have been sitting here for about 14 years. People talk about how I rant and rave and prance up and down the steps. That is because I feel passionately about what I say, and I feel that this country is in big trouble.

If this President does not succeed, this country is going down the tubes. Now is the time for the Congress to step up to the plate and help a bold and

courageous President salvage this country.

I yield the floor.

SENATOR BUMPERS—A FRIEND OF SMALL BUSINESS

Mr. PRYOR. Mr. President, the Senate has just heard, I think, one of the best friends small business has ever had. He was a small business person himself. In 1970, he was elected Governor of our State. He knows the problems of small business, and he knows those areas that we need to really look into to help him to assist small business to succeed and prosper. He, like the rest of us in this body, knows that the creation of jobs today is primarily because of small business.

I thank my colleague, Senator BUMPERS, for participating this morning, and I thank him for his very eloquent statement. I am glad that he is passionate, I am proud that he is passionate, and I am also proud that he is my good friend and colleague from the State of Arkansas.

What is the time situation, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator has 1 minute 30 seconds remaining.

Mr. PRYOR. Mr. President, I think we have an understanding with the distinguished Senator from West Virginia, the President pro tempore, and he will come to the floor in about 10 minutes.

I ask unanimous consent that the Senator from Louisiana, Senator BREAUX, be recognized at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Louisiana is recognized.

THE PRESIDENT'S ECONOMIC PLAN

Mr. BREAUX. Mr. President, I say to the senior Senator from Arkansas, who pointed out that he had been standing at that desk shouting and that he is concerned about the direction we are going, that is absolutely correct. I was in the other body, in the House, for 14 years, and we could hear him shouting all the way on the other side of the Capitol about this issue that he feels so passionately about. He has done a good job as chairman of the Small Business Committee making his concerns known to the public. The junior Senator from Arkansas, Senator PRYOR, has done a real service in making this time available, because there is so much misinformation.

I think both Senators correctly pointed out that the initial reaction from some people in the country, particularly in the small business community, was the initial reaction that "I do not like this bill because it taxes me too much. There you go again, raising my taxes." I think that people who heard those comments started repeating them, and it started mushrooming, and more and more people started repeating what they heard somebody else

say and what somebody else had heard somebody else say. All of a sudden, the popular misconception was that this bill was bad for small business.

Today, we are beginning to tell the truth about what is really in this bill. I am absolutely convinced that when people really learn what is in it, they will say, "You know, that is a good approach, that is moving toward reducing the Federal deficit, which I have been telling my Members of Congress to get on with the decades."

Mr. President, I have been in the Congress for about 21 years now, as I indicated, 14 years in the House. I was there during the early years of President Reagan. It was really fun being in Congress in those days. It was very easy being in Congress, certainly, because President Reagan came to the Congress and said, "I want you to do two things for me as part of my economic program. I want you to cut taxes." And we did. Taxes on the wealthiest Americans went from 70 percent all the way down to 28 percent. That was an easy thing to do. No one had any problems cutting taxes. It was easy and fun, because we could do a lot of news releases that we had cut the American citizens' taxes by a huge amount.

The second thing he asked us to do was to spend more money. I do not know a lot of Members of Congress that do not like to spend more money, because we can tell the people that we are spending more money on this program and that program and this particular matter of interest to them.

It was an easy time to be in Congress, and it was a fun time to be in Congress. But it was also a bad time to be in Congress, because of the product of what we did and what happened as a result of those actions. As a result of those easy days of the Reagan years, we now have a \$4 trillion-plus long-term national debt. In addition to that, we have deficits that are running at over \$350 billion every year.

That is by far the cruellest tax that Congress could ever pass. It affects wealthy people, middle-income people, poor people, and it affects small business people every day that they open the doors to their shops. Every message we are getting from back home is: Congressman, Senators, do something about the deficit. Reduce the deficit, cut spending, and do not raise my taxes.

Well, now the hard days are in front of us. In fact, the hard days are here right now as we meet to try to correct the mess created during the 1980's.

With regard to small business, a couple of things are included in this package. No. 1, they will not lower interest rates. They have sent interest rates moving down as a result of the package that President Clinton has introduced and is being discussed and debated. We are moving with low interest rates.

Now long-term interest rates are a 16-year low. Mortgage rates are at a 20-year low. That is very good for small business.

Small business also says: We need something to encourage expansion and growth in our business. This bill, and the House bill as well, increases and more than doubles the amount of expensing that a small business can automatically deduct up front when they buy new equipment. For example, new equipment that is being bought for a laundry under this proposal, that small businessman could more than double the writeoff of that equipment immediately when he buys that equipment. We increased the expensing deduction from \$10,000 all the way up to \$20,500. The House bill has it at \$25,000. That is going to really encourage small businesses to expand and buy the equipment they have been holding back on, and perhaps have to hire another operator to run that new piece of machinery that they have not bought because they did not have this benefit that is included in this package.

In addition to that, we make retroactive the 25 percent deductibility of health insurance premiums for small businesses that are self-employed and have their own insurance programs. They can deduct 25 percent of those premiums, and we make it retroactive. That is very important as well. We have a retroactive extension of the ability of State and local governments to issue tax-exempt bonds to small businesses—something that is very important to the small businesses outside the beltway in middle America; that State and local governments can now continue to issue tax-exempt bonds to encourage the expansion and development of small businesses.

I think the other point is that—I think both of the Senators from Arkansas pointed this out currently—in most small businesses, the individuals that run mom-and-pop companies are not going to be touched by any of the tax increases. Yet, that will receive all of the benefits in the program I just talked about. Ninety-six percent of small businesses are not going to be touched. Why? Because 96 percent of the small businesses that file income tax returns in this country showed that they had joint returns of \$180,000 or less, and individuals with \$140,000 or less of income would be excluded completely and totally from any of the tax increases.

Only 4 percent—a little over, 4.2 percent—of the small businesses would be hit by the taxes. But these are small businesses that are doing quite well, that I think, quite frankly, are willing to make a contribution to reduce the deficit, keep the interest rates down as they are. All the small businesses that are to fall below that level are totally exempt. What a deal—96 percent of small businesses are totally exempt.

I had a meeting back in my State of Louisiana on the Social Security issue, talking about taxing retirement income of Social Security recipients who are retired, of course, and we only taxed the benefits of those who earn jointly over \$40,000 a year on retirement.

I had a whole group of senior citizens all upset about this new proposal whereby 85 percent of their retirement income would be taxed like it is on private pensions. So I asked the group, "How many of you in this room, a huge room full of senior citizens, earn over \$40,000 a year in retirement?" No one raised their hand, no one would be affected by it.

When I said that it is not such a bad idea, they said "It might be a good idea to do what you told us, Senator," because none of them are affected by it.

The same thing is true for small businesses in this country. Nationally the statistics—and they are facts from the Internal Revenue Service, not something that anybody made up on the floor of the Senate—the facts show that 96 percent of small businesses, by actual returns that they have filed over the past years, would not be touched by the Clinton proposal that is now pending in Congress in a negative way.

They would be touched in a positive way because of the advantages that this program lays out on the table. It encourages them to be able to expand because of the expensing; encourages them to be able to borrow more money because of lower long-term interest rates and mortgage rates that are down at the lowest level in a decade, almost two decades in some cases.

Mr. President, I think the point we should make today is that we just have to tell the truth. We do not have to shade this package. We just have to tell the truth, tell the American people what is really in it, that we do have substantial cuts.

Over half the money that is raised to reduce the deficit in this plan is from spending cuts in Federal programs that we authorize each day here in this body, and the other half is raised from revenues, but from revenues that come from people who can most afford to pay while we exempt the vast majority of middle income and small businesses in this country from being adversely affected at all, although they are positively affected in many, many ways.

I think the Senator from Arkansas for his leadership and just having the truth told and just letting the people know what is in this package for a change. There have been so many misconceptions and so many misstatements. The easy days are over. These are difficult times. There are no easy solutions. This is a difficult package, but it is an important package. I think the American people are willing to embrace it when they know what is in it,

and our job is to let them know exactly that. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I want to thank the distinguished Senator from Louisiana for his contribution to this debate this morning and for helping to set the record straight on small business.

It has been my pleasure to have served with the Senator from Louisiana [Mr. BREAU] on the Finance Committee and I cannot count the times, Mr. President, that I have heard the distinguished Senator from Louisiana speak out and speak out forcefully in behalf of the small business people of America. Once again, he has done that this morning, and once again he has reiterated that it is time, as this debate goes forward, for the American people and our colleagues in the Senate to know the facts, to have the facts set before them, and to know what is fact and what is fiction.

With that said, Mr. President, I want to thank the Chair. I also want to express deep appreciation to the distinguished Senator from West Virginia for allowing us to go a little beyond our time this morning. Mr. President, having completed our remarks, I yield the floor.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from West Virginia [Mr. BYRD] is recognized for 1 hour.

Mr. BYRD. I thank the Chair.

LINE-ITEM VETO—X

Mr. BYRD. Mr. President, this is the 10th in my series of speeches on the line-item veto.

Last week, I spoke of the proscriptions of Sulla. From Asia, Sulla had announced to the Senate his victories, and his treaty with Mithridates, and had made no mention of personal grievances or revenge.

However, after he had left Ephesus and crossed over to Greece and had reached the shore of the Adriatic, his tone changed. He sent a second message to the Senate, recapitulating the services that he had rendered to his country and the rewards that he received for those services: His property confiscated, his friends assassinated, and himself voted a public enemy. He was now coming, he said, in order that his enemies and the enemies of the Republic should receive the punishment due for their crimes.

Sulla's return to Rome was a sanguinary one. The battle at the Colline Gate had been desperate and bloody, and the fighting had lasted all day long and throughout the entire night. The Samnite army, whose lines of retreat had been cut, was destroyed. And the battlefield, heaped with corpses, had grudgingly yielded up the victory to Sulla and his veterans.

On the day after the battle, Sulla was haranguing the Senate at the very moment that 6,000 Samnite and Lucanian prisoners were perishing under the sword. Suddenly the death cries were heard. Senators were struck with astonishment. But Sulla, with a firm and unaltered countenance, continued his discourse, and bade the Senators to pay attention to what he was saying, for the noise, he said, was coming only from some malefactors whom he had ordered to be chastised.

The bloody battle at the Colline Gate had ended all effective resistance in Italy. Now, a reign of terror began, and Sulla posted proscription lists of intended victims who were to be hunted down like animals, murdered, and a price set upon their heads.

Many victims had already perished, when Gaius Metellus ventured to rise in the Senate and question Sulla as to when "this vengeance might be expected to stop." Sulla answered that he did not know. "Then," implored Metellus, "let us know whom thou intendest to destroy." Sulla said that he would do it.

Plutarch tells us that Sulla then immediately posted a list of the names of 80 citizens. On the following day, he proscribed 220 more. And on the third day, as many more.

Sulla then announced that he had completed the lists of all those names he remembered, and that those whose names he had forgotten—as he later would remember the names—they "must enter some future proscription list."

Even the dead were not spared of Sulla's vengeance. The corpse of Marius, the conqueror of the Cimbri and the Teutons, was exhumed and decapitated and given up to insults, and then cast contemptuously into the Anio—the Anienus River—that the repose of the grave might be denied him.

From the proscriptions the equestrians had suffered especially. Appian, the historian, tells us that 15 ex-consuls, 90 Senators, and 2,600 knights—or equestrians—had already been the victims of the proscriptions.

But proscription did not end with the death of the victims. It also struck at their posterity, to the third generation. Not only were the sons and grandsons denied any paternal inheritance, but they also were declared unworthy ever to fill any public office.

The two consuls being dead, Sulla then had himself appointed by an interrex, Valerius Flaccus, to the office of dictator for an unlimited term. Sulla, before he had left Asia, had requested of his friends in the Senate that a law be passed permitting the appointment of a dictator for an unlimited term; it was entirely without precedent.

The appointment carried with it all of the powers of all of the magistrates.

Sulla was appointed to an unlimited term in late 82 B.C., for the purpose of enacting legislation and reconstituting the government.

Sulla increased the number of Senators from 300—the figure at which it had stood for over 400 years—to 600. He appointed many of his own supporters, especially from among the equestrians. As a consequence, the appointees to the Senate were beholden to Sulla.

He then took away the traditional rights of the tribunes. They no longer had the right to introduce legislation. And he revised the composition of juries to again exclude equestrians, but to include Senators.

Mr. President, Sulla, indubitably, did not aim at a dictatorship for life. After he had restored "republican" government under senatorial control, he abdicated his power in stages, resigning from the dictatorship at the end of 81 B.C., being consul in 80, and becoming a private citizen without office in 79, retiring to his Campanian estate.

Sulla died the next year—in 78 B.C.—at the age of 60. He composed his own epitaph: "No friend ever did me so much good, or enemy, so much harm, but I repaid him with interest."

After Sulla's death, in 78 B.C., Roman history moved around the names of a small group of eminent men whose ambitions and rivalries were given free reign by the progressive decline of the already supine and increasingly feeble authority wielded by an indolent Senate. The generation of Marius and Sulla had seen the organization and effective use of a professional army as the basis of political power in the State and in the provinces.

Mr. President, time precludes me from mention of the several wars being waged in this period, with the exception of certain conflicts involving the most eminent men.

Mithridates VI Eupator the Great, King of Pontus, had made peace with Sulla in 85 B.C. Realizing that Sulla made peace only to accommodate his own early return to Italy, where he had some scores to settle with Cinna and Carbo, Mithridates prepared for a renewal of the struggle with Rome. He defended himself against attack in 83 and 82 by the Roman General Lucius Licinius Murena. But, again, Sulla brought about a cessation of the hostilities.

In 75 B.C., the King of Bithynia, Nicomedes III, died after bequeathing to Rome his kingdom. After the Senate had accepted the kingdom and made it into a new province, Mithridates disputed its possession and invaded Bithynia in early 74 B.C., where he was confronted with the Roman consul Marcus Aurelius Cotta, whom he defeated. In this third Mithridatic War, a Roman general by the name of Lucius Licinius Lucullus defeated Mithridates on land and on sea, recovered Bithynia

and invaded Pontus, Mithridates' kingdom, thus forcing Mithridates to take refuge with his son-in-law, Tigranes, the King of Armenia.

For the next 2 years, Lucullus completed the subjugation of Pontus, but he could not end the war as long as Mithridates was at large. He, therefore, demanded the surrender of Mithridates by Tigranes, whose refusal of the demand resulted in an invasion of Armenia by Lucullus.

Lucullus defeated Tigranes and tried to completely subjugate Armenia, but he was prevented from doing so because of the mutinous conduct of his own troops, who were displeased because Lucullus protected the subject peoples from their excesses and, also, because Lucullus enforced strict discipline upon his troops. We can see why he had won these many battles. He enforced discipline among his troops, but they did not like it. So, he was forced to remain inactive, and finally, through the machinations of his enemies in Rome, Lucullus was relieved of the command in 66 B.C.

While Lucullus had been pursuing Mithridates in Asia Minor, Gnaeus Pompeius Magnus, Pompey the Great, was fighting Quintus Sertorius in Spain. As if two wars were not enough, a serious slave insurrection occurred in Italy. In 73 B.C., Spartacus, a Roman slave and gladiator from Thrace, broke out of the gladiatorial school at Capua with 70 of his fellow gladiators. He quickly collected more than 10,000 adherents and took refuge on Mount Vesuvius.

He then vanquished the Roman forces that were sent against him under Varinius Glaber and Publius Valerius, after which his Army swelled to a number of 70,000, and eventually reached as many as 120,000.

Rome then sent both consuls against Spartacus and, after defeating their legions, he sacrificed 300 Roman prisoners. This formidable war—although it had been ridiculed in the beginning as being nothing more than a raid, with much plundering and robbing—was now going into its third year.

Marcus Licinius Crassus was elected praetor. His surname was "Dives." Remember the name in the Bible—Dives? Crassus was called "Dives" because of his great wealth. He advanced against Spartacus with six new legions. After arriving at his destination, he received two additional legions that had been defeated under the previous consuls. Crassus immediately decimated these two legions, killing every tenth man, as punishment for their bad performance in the battles they had lost against Spartacus.

Upon Crassus' demonstrating to his Army that they had more to fear from him than from the enemy, he overcame 10,000 Spartacans and then advanced boldly against Spartacus himself, vanquished him in a brilliant engagement,

and pursued his fleeing forces to the sea, where they attempted to pass over to Sicily. In a pitched battle that was long and bloody, Spartacus, with a great mass of his followers, was surrounded by the forces of Crassus, and slain. Crassus had won a great victory over the slave rebels.

Meanwhile, in Spain, Marcus Veiento Perperna, having treacherously assassinated Sertorius, and having taken over his command, himself was disastrously defeated. He was taken prisoner and executed by Pompey, thus bringing an end to the war in Spain in the year 71 B.C., the same year in which Crassus had triumphed in the slave war.

Both Pompey and Crassus, flushed now by their victories—respectively, in Spain and Italy—demanded triumphs, and also requested permission to stand as candidates for the consulship. Crassus was eligible, but Pompey was still under the age limit. He also did not qualify because he had not previously held the offices of quaestorship and praetorship.

Both Pompey and Crassus, however, having maintained their men under arms, the Senate was overawed and yielded, giving both men their triumphs, and approving the passage of a law exempting Pompey from the legal requirements of his candidacy. Both Pompey and Crassus then put aside their personal rivalries and supported each other to the fullest for the consulship. They were both elected.

They immediately went to work and overturned the Sullan constitution, restoring to the tribunes their traditional rights, including the power of the veto. They revised the senatorial lists to include their own favorites, and also revised the composition of the juries, this time to provide that equestrians as well as Senators could sit thereon.

Both Pompey and Crassus had declined appointments in the provinces following their term as consul because there were no provinces available that offered them the opportunity to augment their military or political reputation.

Subsequently, however, Pompey was given such opportunity by virtue of the ravages of the Cilician pirates, whose depredations upon shipping had interrupted the importation into Rome of grain, bringing on the serious threat of a famine and requiring decisive measures.

In 67 B.C., a Roman tribune by the name of Aulus Gabinus introduced legislation appointing a single commander of consular rank, with authority over the whole sea within the pillars of Hercules and all Roman territory to a distance of 50 miles inland—the appointment, with Imperium, to last for 3 years.

The Senate bitterly resisted this legislation, but it was enacted with the

support of Marcus Tullius Cicero and that of a rising young noble named Gaius Julius Caesar. The opinion of the people was such that the Senate had to appoint Pompey.

Pompey immediately set to work energetically and systematically, and in 40 days had swept the pirates from the Western Mediterranean, and in 49 more had cornered them in Cilicia and forced the surrender of their strongholds. Therefore, within 3 months, Pompey had brought to a triumphant conclusion the pirate war, but he still had 33 months to run with respect to his appointment with imperium. He was eager to gather fresh laurels. The opportunity was not wanting, if we recall that the conclusion of the pirate war coincided with the check of Roman arms in Pontus and Armenia that had been brought about by the mutinous conduct of Lucullus' soldiers and the machinations of Lucullus' enemies in Rome.

Pompey sought Lucullus' command. Here was another opportunity for military glory.

The Senate strongly opposed any extension of Pompey's authority. But with Cicero's support, again, legislation was enacted and Pompey received Lucullus' command, and he departed to carry out his new duties.

Tigranes came to terms with Lucullus. Mithridates in 63 B.C., was beset by a mutiny led by his own son, Pharnaces II, and trapped in his own citadel at Pantacapaum.

Pantacapaum was located in the Crimea where Kerch is now located, on the strait connecting the Sea of Azov with the Black Sea.

Mithridates attempted to commit suicide with poison, but he had been taking small doses of poison for several years and was, therefore, immune to poison. Therefore, he had himself put to death by a mercenary. With the death of Mithridates, the several Mithridatic Wars came to an end.

Pompey had conquered a vast territory and had created a continuous belt of Roman provinces along the coasts of the Black Sea and the Caspian Sea and extending as far south as Syria and Judea. He then prepared for a triumphal return with his victorious troops to Italy. This was in 62 B.C.

Now, Mr. President, let us go back 2 years and see what was happening in Italy while Pompey was fighting in Asia Minor with Mithridates and Tigranes.

In 64 B.C., three men ran as candidates for the consulship: Lucius Sergius Catilina, or Catiline; Gaius Antonius; and Marcus Tullius Cicero. Antonius and Cicero were elected. In 63 B.C., the consular elections for the next year were held and, again, Catiline ran and he was again defeated, he being bitterly opposed by Cicero and the business interests and most Senators, because they distrusted his motives.

Catiline was not a man to take two defeats easily. He was a vindictive man and of a rebellious nature. Therefore, while Gaius Manlius, an associate of his, was collecting a large force of men under arms in Etruria, Catiline, with contention and malice, formed a conspiracy in Rome against the government.

The plan was to assassinate Cicero, create acts of arson throughout the city, and occupy strategic points with armed men who would take over the Government.

Gaius Sallustius Crispus, a Roman historian who lived during the years 86 to 34 B.C., was a contemporary of this event. And he writes that among the conspirators was a man named Quintus Curtius, whom the censor had expelled from the Senate for bad conduct. Curtius had a lady friend whose name was Fulvia, and when he found himself less in favor with her because lack of means compelled him to be less lavish with his gifts, he suddenly began to talk big and promise her the Earth, the next moment threatening to stab her unless she complied with his demands.

Well, this high and mighty tone was so unlike his normal manner that Fulvia insisted upon an explanation. Upon discovering that there was a conspiracy, she decided that such a dangerous threat to Rome should not be concealed. The facts, therefore, were communicated to Cicero.

Cicero developed enough evidence to induce the Senate to adopt a decree empowering him to take all necessary measures to save the state. This was a *Senatus Consultum Ultimum*, a declaration of a state of emergency. He then proceeded to have five of the leading accomplices of Catiline arrested. Instead of leaving the matter to the regular courts, he promptly convened the Senate to decide the fate of the five prisoners. The Senate, after a very strong speech by Marcus Porcius Cato Uticensis, the Younger, decreed that the conspirators be executed.

Cicero, believing it best not to wait until nightfall, lest an attempt be made by the conspirators during the interval, immediately conducted the condemned men to a chamber within the prison, which was about 12 feet below the ground and enclosed in walls of stone. Along with Publius Cornelius Lentulus Sura and Gaius Cornelius Cethegus, both of whom were Senators, Gabinius and Statilius and Caeparius met death at the hands of the executioner on December 5, 63 B.C.

Catiline now realized that it would be futile to march on Rome, and he attempted to escape with his army into Cisalpine Gaul, but he was caught between two Roman armies, commanded by Gaius Antonius and Quintus Caecilius Metellus Celer.

A bitter and violent battle ensued with heavy losses on both sides. Sallustius tells us that Catiline and his

men fought with such ferocity and daring that practically every man was found dead upon the battle station that he had occupied before the battle began. Catiline, defiant as ever, was found at the head of his troops. Thus ended the Catilinian conspiracy in 62 B.C.

Mr. President, also in 62 B.C., the Roman Senate trembled when it heard that Pompey with his well-seasoned, well-equipped army had landed at Brundisium, on the heel of the boot of Italy, and was on his way to Rome with an army of men who were devoted personally to Pompey and who were capable, at his word, of making him dictator. Pompey was at the apex of his power.

Pompey relieved the fears of the Senate by voluntarily disbanding his army before he entered the city. The Senate no longer feared Pompey, now that he had disbanded his troops. The ungrateful Senate rejected his requests for land for his veterans and for ratification of the agreements that he had made in Asia Minor while he was subjecting kingdoms and peoples to the control of Rome.

As a result, Pompey together with Crassus and other capitalists were thrown into a flirtation with the Populares, and so, in the year 60 B.C., Pompey and Crassus, the richest man in Rome, and Julius Caesar, soon to rise to preeminence, reached an informal arrangement of power-sharing, known as the First Triumvirate.

Mr. President, the Roman Republic had been in existence, now, for a period of 693 years—lacking 7 years of being 7 centuries. It had only a few more years to run until its final collapse. The death rattle in its throat was not yet audible, but its vital signs had shown serious deterioration since the time of Tiberius Gracchus.

Dominant individuals, helped by their supporters, struggled for power, prestige, and military glory. Incessant civil wars and wars in the provinces had exacted a terrible toll from the population of all Italy, and the price in blood and treasure was to flow through many generations.

The vanishing peasantry from the land, the declining family and religious values, the fading away of the old Roman virtues, a growing slave economy, power politics, graft and greed and venality and corruption in government, high unemployment and growing indolence, both of which had contributed to the swelling city mob—all of these were the signs as well as the elements of a creeping but certain decay of the Republic.

Through it all, Mr. President, a weakened Senate—once the resplendent and supreme pillar of power undergirding the rugged yet graceful architecture of the Roman Republic—had lost its way, its nerve, its vision, and its independence. The Roman Senate,

for so many centuries the pride of the Republic, had failed at the critical junctures to demonstrate the firmness, the considered judgment, and the integrity that might not only have arrested but might also have reversed the decline of the Republic. As of the year 60 B.C., the year of the First Triumvirate, the Senate possibly could even yet arrest and reverse the decline. But would it?

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

THE PRESIDENT'S ECONOMIC SUMMIT

Mr. ROCKEFELLER. Mr. President, because of events thousands of miles from here, the American people had a very good week, 2 weeks ago. President Clinton deserves enormous credit for his leadership, and the work of his administration in helping carry out an economic summit that was genuinely productive.

With respect to multilateral economic relations and the Uruguay round, as well as our bilateral relationship with Japan, the President laid important foundations, and he intends to build upon those in the coming months. People had very low expectations, but the summit's results were very substantial.

President Clinton sent an important message, in fact, about the future of the United States to Americans, as well as to the rest of the world. That message is that, as the 20th century comes to a close, America's ability to continue as the world's leader will be determined by our economic strength, not simply by our military might.

He made clear that American foreign policy is economic policy, and American foreign policy is also trade policy. No President has ever said that before, and all branches and all agencies of the Government, including the State Department and the National Security Council, were using exactly this same theme.

The President understands that we lead most effectively by having a strong economy here at home; that our growth sets the standard for others, and, in fact, promotes the growth of others through trade. His focus on economics here at home and in Tokyo made clear that the Clinton Presidency will not be the kind that puts a wall between foreign policy and domestic policy. We have had those Presidencies, and that compartmentalizing has served us extremely poorly. We need to see that the critical global issues are jobs and growth, and that the country that can produce both will be the country that will lead the world.

At the same time, the President's clear message to all our trading partners at the summit, and to the Japanese in particular, is that growth and job creation must take place within a free market and on a level playing field. The days when other countries can preserve their inefficient industries through subsidies and export their unemployment to the United States, as the Europeans, for example, have done in steel, those days, Mr. President, are over. Likewise, the days when a country closes off access to its own market but rolls up huge export-drive surpluses, as Japan has done, are also over.

America has been the most open and the most developed market in the world in the postwar era. We did that deliberately for geopolitical reasons, and we paid the economic costs it entailed in order to serve as an engine of growth for our allies so that we could maintain a strong united front against the Soviet Union. That makes sense. That rationale however, is gone now. But, more importantly, so is our ability to pay for that rationale. President Clinton understands very clearly the need for a change in that policy as well as the fact that such change is measured on a micro—rather than a macro-economic level by changes in U.S. market share abroad, in exports to targeted sectors, and growth in high-wage, high-skill jobs.

Trying to produce the necessary policy changes here in the United States and on the part of our trading partners has been compared to trying to turn an aircraft carrier around. It is possible to do it but it takes a long time and it does not happen on a dime. But we began that process in two important ways last week, and I want to talk about those two important ways.

The first success, which set a positive turn for the entire summit. Was the announcement of a Uruguay round market access agreement. That was not expected. This agreement, which primarily involves cutting tariffs, was very hard fought and exceptionally difficult to reach in view of the extreme import sensitivity of many of the items on the table and the determination of some countries to exploit that same sensitivity.

But this was not a process that was painful only for the United States. Our interest in zero tariffs on electronics and nonferrous metals, particularly aluminum, was strongly resisted by the European Community. Proposals to reduce tariffs significantly on wood, on the other hand, were rejected by the Japanese.

In the end, efforts to obtain maximum cuts by spreading out the pain as widely as possible did not succeed. Instead our negotiators settled for a more modest—but still significant—package of tariff cuts and left open the possibility of further concessions later on.

But the package has tremendous significance because it lays a foundation for the actual conclusion of the Uruguay round. These talks, which should have been finished years ago, have been stalled since early this year as the rest of the world has waited for the four leading developed countries—the United States, Canada, Japan, and the EC—known as the quad countries, to reach some consensus on market access.

Now that we have in fact done that, other countries should be willing to make more meaningful offers of their own on market access and services and we can go on and make the revisions in the current text that will be necessary for it to pass muster here in this Congress.

As I said before, 2 weeks ago during the debate on the fast track extension, I have problems with the current draft text—and I think many members of the Senate Finance Committee have serious problems with the draft text—and I do not believe it will be approved by the Finance Committee much less the Congress, were it presented to us. That does not, however, mean that we should abandon the effort to get an acceptable text, but rather we should maintain our policy that no deal is better than a bad deal. Let me also add that congratulations are also due to Ambassador Mickey Kantor, Deputy U.S. Trade Representative Rufus Yerxa, and Ambassador-designate John Schmidt, who were actually involved in the negotiations.

This is a step forward for more open trade that reflects the discipline of the free market, which has been the historic position of the Democratic Party. Indeed we should not forget that the last person to complete a global trade round was Jimmy Carter.

I must say, however, that in the midst of this good news from the economic summit, I was really disturbed by recent comments by the new Director-General of the GATT, one Mr. Peter Sutherland. I do not know Mr. Sutherland personally but his statements about pending steel cases and the United States position on the Uruguay round suggest that he still sees himself as an EC, a European Community, commissioner, rather than as the head of what he is, which is a multilateral body. His attitude, in my judgment, can only increase congressional unhappiness with the round, make us more suspicious of it, and complicate the process of approving it once it is concluded.

Likewise, I was more than disappointed in Mr. Sutherland's comments at his press conference on Monday of this week in which he called on the United States to continue trade policies that we have been carrying on since the end of the Second World War. I have just tried to explain why those trade policies are now an anachronism, and Mr. Sutherland calls on us to con-

tinue those trade policies. He clearly and probably deliberately misses the point.

President Clinton's trade policy, by contrast, is based on the premise that things have changed since 1945, and it is time for new policies that better reflect market economics and better reflect U.S. interests. I worry about the fate of the Uruguay round if Mr. Sutherland remains as lost in the past as he seems to be.

The second success relates to the agreement on a United States-Japan trade framework. While it is fair to say that the text of the framework, like most negotiated documents, uses ambiguous words to paper over deeply held differences, it does, nonetheless, represent a turning point in a long troubled relationship, and it is a solid foundation for further discussions.

Japan's election this past weekend will certainly mean some change. How much remains to be seen. It is my firm belief that that change might in fact be good not only for Japan but for the United States.

It is not particularly a hard sell to argue that a new framework will be good for Americans. Any progress we make opening markets in Japan will mean more exports and, therefore, obviously more jobs for our people.

But the framework will also provide benefits for Japan. And this is important because it represents the end of an era of looking at Japan through the increasingly cloudy prism of World War II. Before Bill Clinton, our Presidents' attitudes were formed by the Second World War and our subsequent policy of rebuilding Japan and then integrating it into the Western system. That is the way we thought of Japan. Inevitably, that translated into a sort of senior-junior partner view of the relationship in which the United States expected Japan to be independent but not too independent, active internationally, but not too active, and economically strong, but then again, not too strong.

Bill Clinton our first President born after the war ended, sees the relationship as most Americans now see it—one between two economic superpowers whose interests often converge but sometimes conflict, particularly on economic issues, but who both have an overriding interest in working out their differences in a cooperative manner. The framework for the first time puts the relationship on a businesslike basis between economic peers that acknowledges the tremendous progress that Japan has made over the past 40 years.

That recognition is part and parcel of the President's framework and is also highlighted by his support for a permanent Japanese seat on the U.N. Security Council, which affirms Japan's own view of its proper place in the world and will make it easier for Ja-

pan's leadership to play an international role warranted by the country's economic strength.

Encouraging Japan to play such a role—and getting out of the way so that it can—will also help deal with the unhealthy problem of gaiatsu or foreign pressure.

Japanese politicians have grown comfortable telling us privately that they cannot make the changes they know their economy needs unless they are subjected to gaiatsu. It is apparently easier to concede to foreigner pressures than to lead on one's own. However, the belief that politicians cannot lead but only follow is precisely what has contributed to Japan's current political crisis. And from an American point of view it has produced only grudging concessions that are justified not as responsible leadership by a mature world power but as a way to keep foreigner powers at bay—yet again.

Prime Minister Miyazawa's personal intercession in the framework talks, which confounded his bureaucrats, is an example of just the kind of leadership that Japanese politicians must provide if our relationship is to grow and prosper. The Prime Minister understood that some important things had gone awry in our relationship, and he was determined to set them right, even though his days in office are likely down to a few. It is that approach—politicians acting outside their own interest and in the national interest—that saved the framework and helped put our relationship back on track.

President Clinton's approach to the negotiations, by recognizing Japanese strength from the beginning and insisting on clear, consistent, and honest communications between our two nations, successfully challenged Japan's leaders to actually lead—something none of our Presidents had ever done before—and more than that, challenge them to take painful steps not just because we want them to but because they make sense economically for Japan as well as America.

Japan has prospered for years with large and growing trade surpluses and has spawned a growing number of countries, primarily elsewhere in Asia, pursuing what one might call copycat policies.

That prosperity, and the huge inflow of funds it has meant, contributed in a major way to Japan's bubble economy and to preserving inefficient structural rigidities in its society like its distribution system and the collaborative, if not corrupt, behavior in sectors like construction. These make their economy less productive than it really could be and their citizens less well off than they should be.

Now that the bubble has burst—or at least is leaking at the seams—and the yen continues to stay strong, Japanese are beginning to understand that a return to the high growth rates of the

past will not come without significant change. The old tactics simply will not work any more.

The President's framework is innovative because it is as much about creating the political climate that will permit those changes as it is about the changes themselves. If we can address our problems as equals—as adults, so to speak—we can enter, Japan and the United States, the 21st century as partners—and, in fact, we probably will do that—rather than as adversaries. That will be good for both of us because it will mean greater growth and greater productivity. And it will mean a healthier relationship that reflects current realities rather than one that is still rooted in the 1950's.

As I said earlier, the framework hardly solves all these problems instantaneously. Indeed, in the short run it may actually create more of them as we proceed to negotiate on some of the hard specifics. But those negotiations will occur in a healthier, more constructive climate, and with a President determined to persist until our problems are adequately addressed. And that is a framework for success.

Because today's realities are that this country, at a breakneck pace, is becoming integrated into the rest of the world. It is called globalization. McDonald's, amazingly, sells more hamburgers on the streets of Tokyo than on the streets of New York. An American is the best sumo wrestler in Japan and a Japanese conducts one of the finest symphony orchestras in America. The World Series trophy resides in Toronto and baseball is being played from Rome to Managua to Taipei. Europeans stay up until all hours of the night to watch Michael Jordan. And across the United States we are gearing up to host the World Cup soccer tournament.

In many ways what the President accomplished at the economic summit helps put to paper what history has already recognized. President Clinton has helped lay the foundation upon which we can build solutions to our trade problems. And the result will mean far more than Big Macs on the Ginza. It will mean jobs, growth, and prosperity on Main Streets all across America.

Mr. President, I thank the Chair and I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FEINGOLD). The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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

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

Mr. WALLOP. Mr. President, is the Senator from Wyoming correct in his understanding that now begins an hour under his control?

The PRESIDING OFFICER. The Senator from Wyoming is recognized for up to 1 hour.

TAXES

Mr. WALLOP. Mr. President, we heard a lot of pontification, palaver, complaint, and dazzling speech this morning about how the President's economic package will not, in fact, affect small business. I think most American small businessmen will be somewhat startled to hear that after examining the taxes in the President's package.

But I think the more important thing to ask is why now do we even need these taxes? Was it not the case that the President, during his campaign, promised a middle-class tax cut? Was it not the case that when he reneged on that promise, he did so because the deficit was so much bigger than he expected it to be? Is it not now the case that the deficit is considerably smaller than projected and, therefore, the need to whack a large tax on the middle class and small businessmen of America is gone, under the President's rationale?

However, the President and his people are playing games with Americans, playing games that I think are essentially unfair. By law the President is required to submit on the 16th of July a midsession review of the state of the deficit. According to Senator DOMENICI, in April in the administration had projected that the deficit would be \$322 billion, but actual data for three quarters of the year shows that the deficit is significantly lower than that, as much as \$50 billion less. This is the figure that the President used as an excuse for reneging on his promise to provide a middle-class tax cut and, instead, impose a middle-class tax increase.

Even the Director of OMB, Mr. Pannetta, while refusing to release the data, concedes that the deficit is much lower than originally projected. What we are now witnessing is the desire of the administration to spend that savings and to continue to renege on the promise to provide a middle-class tax cut.

Another thing that the President has reneged on is the justification he used to propose a Btu tax. Here is a quote which he said in February of this year.

I cannot avoid raising taxes on the middle class because the deficit has increased so much beyond my earlier estimates. When I began the campaign the projected deficit was \$250 billion and now it is up to \$400 billion.

Mr. President, now it is not up to \$400 billion, and it is far closer to the \$250 billion, which was the threshold for the great broken promise to the American middle class.

Mr. President, I yield the Senator from Washington 10 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington for up to 10 minutes.

Mr. GORTON. Mr. President, I thank my friend and colleague from Wyoming.

CUT SPENDING AND THE ECONOMY WILL WIN

Mr. GORTON. Mr. President, President Clinton's new taxes budget, now before the House-Senate conferees, is seriously flawed because it relies primarily on increasing taxes to reduce the budget deficit, a program which has always failed. While reducing the budget deficit may be the most important issue before this Congress, the President and his allies in Congress are offering this country what amounts to class warfare, class warfare that will, in the end, not reduce the deficit.

The administration's promises to reduce the deficit by raising taxes on the wealthy and on middle income Social Security recipients. The American people are told by this administration that the country can reduce its budget deficit and return to the road to prosperity painlessly through higher taxes on someone else.

That dog will not hunt.

I object to these higher taxes and this reconciliation package because they will not reach the two goals President Clinton claims to seek: a lower deficit and renewed economic growth. More taxes will not reduce the deficit because they will not raise the revenue claimed. They will not lead to economic growth because higher taxes have never led to economic growth.

The problem is that President Clinton seems to believe that higher tax rates do not have an impact on economic growth. He seems to believe that the government can raise taxes on Americans with no impact on the overall economy. He is as wrong in 1993 as George Bush was in 1990.

History should have taught the President and the Democratic majority in Congress that raising taxes is no way to solve the problem of the deficit.

In my view, the 1990 Budget Act provides empirical proof that taxing anyone, even those with supposedly excess income, will depress the whole economy.

Remember, Mr. President, the 1990 Budget Act tried to hit the rich twice by raising marginal tax rates and taxing supposed luxury purchases. In each instance raising taxes had a negative impact on the economy. Many economists believe that the increased taxes in the 1990 Act were largely responsible for the 1991 recession. Higher taxes on one group of people pushed the economy from a period of slow, but positive, economic growth into a full blown recession in less than 9 months.

The effects of the luxury tax devastated several industries and had almost a nonexistent effect on the rich. Tens of thousands of families whose primary source of income came from

boat building and aircraft manufacturing suffered economic hardship and dislocation as a result of Congress' vain attempt to punish the rich for the supposed excesses of the 1980's.

Credit card and mortgage bills went unpaid; cars and refrigerators and washers and dryers were repaired rather than replaced; children who needed new clothes and shoes got only new patches—all in an attempt to punish the rich for asserted excesses of the eighties.

For example, one aircraft building industry source cited in a Washington Post article noted that the Federal Government lost more than \$4 million worth of Federal income taxes because of job losses directly related to the luxury tax on private airplanes. During that same time, the IRS figured that it collected \$158,000 in luxury taxes from airplane sales. In effect, the 1990 Budget Act ordered that to spite the rich we would destroy the lives of tens of thousands of families who were employed in boat building and private airplane manufacturing. But, the Clinton administration and the Democratic leadership in Congress seem to have learned nothing from this experience, as they are about to repeat it.

Beyond the assumption that the rich have money which the Government can take without economic repercussions, the Clinton plan before the reconciliation conferees also assumes that people do not react to higher taxes by changing their behavior. Here also, we have empirical evidence from recent history to suggest just the opposite, that people at all income levels do so react to higher tax rates.

The tax reform efforts of the 1980's proceeded from two premises: to lower marginal rates and to broaden the tax base by eliminating as many tax preferences as possible.

In essence we realized in the 1980's that higher tax rates cause people to push for more and more tax loopholes and preferences. If you eliminate tax loopholes and preferences you can lower marginal rates, significantly broaden the tax base, and simplify the tax system.

When we attained these goals in the eighties, the net result was that higher income earners paid a greater share of the total Federal income tax. In 1981, the top one percent of taxpayers bore 17.6 percent of the total tax burden. In 1990 the tax burden of the top 1 percent rose to 25.6 percent. The same thing happened for the top 5 percent of taxpayers. These people paid 35.1 percent of the total tax burden in 1981, but 44.1 percent by 1990. In contrast, the lower half of all taxpayers paid 7.5 percent of the tax burden in 1981 and only 5.6 percent in 1990.

But what happened after the 1990 tax hike? Despite the beginning of a recession in 1991, overall income increased 3.3 percent for the year. But upper in-

come individuals paid less in taxes in 1991 after the increased rates imposed in the 1990 deal, \$6.5 billion less. And while the rich avoided paying higher taxes, everyone else actually paid more in taxes. All other taxpayers paid an additional \$3.3 billion while upper income people paid less in taxes despite the new, higher rates.

The same higher taxes were imposed on the Nation's small businesses. Those small businesses that put their owners in the upper income ranges earned 10 percent less money in 1991 than in 1990. During the same time frame income for small businesses not in the upper income categories rose 6.2 percent. Of course, it is not the case that more profitable businesses suddenly lost money while less profitable businesses made more money. These upper-income business owners found a way to produce 10 percent less in taxable income as a response to higher income tax rates. Why in the world does the Clinton administration think it will be any different this time?

Despite this overwhelming evidence that the rich are not only paying their fair share but a larger share than they were 10 years ago, the Clinton plan proposes higher marginal tax rates. And despite the evidence that people do react to raising and lowering tax rates, the Clinton plan assumes that upper-income individuals will not try to shelter income from higher tax rates. Martin Feldstein, former chairman of the President's Council of Economic Advisors, has demonstrated that even a modest effort to shelter income by those impacted by these new taxes will result in significantly less money coming into the Federal Government than is projected under President Clinton's plan. Dr. Feldstein, president and CEO of the National Bureau of Economic Research, Inc. points out that if these people protect just 10 percent of their income from taxation, the Government will collect only \$7 billion a year not the \$26 billion a year that the plan assumes will be generated over the next 5 years—obviously a huge difference.

Mr. President, the Clinton plan will fail. It will not reduce the deficit. No plan can create prosperity by raising taxes. The plan will put average American workers out of work. It may not be as industry specific as the 1990 Budget Act was but fewer people will be employed a year from now if this reconciliation package is passed. And, like the 1990 Budget Act, not only will we put people out of work but the Government will not collect the revenues it hopes for from the act. Spending will continue to increase. And the budget deficit will continue to grow.

It is because this plan will not lead to lower deficits that Republicans are overwhelmingly against the reconciliation bill. It is because we are certain that unemployment will rise that Republicans will fight to defeat this plan.

I can only hope that this plan will be defeated. Defeat would be a victory for all Americans. In fact, if President Clinton is forced to return to Congress with a plan to cut spending first, the economy will win, the American people will win—and even President Clinton will win.

Mr. WALLOP. Mr. President, before the Senator from Washington leaves the floor, let me compliment him on his statement. While he was delivering it, I was struck by the fact that with the George Bush tax increases of 1990, the revenues paid by the wealthy actually declined because of increased taxes. And in his statement the Senator from Washington noted that the wealthy had found ways to rearrange their income to make it less susceptible to taxes.

Guess who also did the same thing this year? None other than Hillary Rodham Clinton who, knowing that there were tax increases coming, managed to have her law firm pay her salary last year so that it would not be subject to the new higher taxes this year.

We heard a lot of talk on the floor this morning about how the higher marginal tax rates would not hurt small business and how they would not affect middle-class Americans. If you can see this chart, I point out that 36 percent of interest income in America will be subject to the 36-percent rate, or the 36 plus the 10-percent surtax; 51 percent of the rent and royalty income—this is not all rich people, Mr. President—will be subject to the higher taxes; 53 percent of dividend income—we tell Americans to save and invest and then when they do, we tax their income, not only through a higher corporate tax, but now through a higher personal tax; 62 percent of business or professional income will be subject to the higher rates, and a whopping 84 percent of partnership or S corporation investment income will be subject to the new higher tax rates.

Mr. President, I do not care what was said on the floor this morning, S corporations and partnerships are America's small business, and 84 percent of their investment income will now be subjected to the higher rates—income that otherwise would be used to create economic growth. That is the middle class.

I ask my friend from Washington, would he not agree?

Mr. GORTON. Certainly.

Mr. WALLOP. That is why these new higher rates—by stifling economic growth—will not achieve as much revenue as projected.

Mr. GORTON. The Senator from Washington certainly does agree with that position. It is especially peculiar, it seems to the Senator from Washington, that in the light of such recent experience in both directions, when lowering rates and getting rid of preferences increased the share paid by

upper-income groups and raising rates lessened the share they paid, we would attempt to do just what was so unsuccessful as recently as 3 years ago.

Mr. WALLOP. Well, when the First Family itself makes a logical human response to avoid taxes, and there is nothing illegal about it—I do not intend to imply there is anything illegal about it, but they are making a response that they claim Americans will not.

Now, I would ask the Senator from Washington one other question. There are a lot of rumors around regarding several possible changes that can be made to raise the revenue needed to reach a compromise on the deficit package. One such rumor is the lowering still further of the threshold at which the higher marginal tax rates will kick in. They may go as low as \$125,000 from \$140,000 in taxable income. Other rumors are that the threshold for Bill Clinton's super tax may drop by another \$50,000 to \$200,000, and the threshold on the corporate rate increase may drop from \$10 million to \$1 million.

Now, are these not the kinds of taxes, about which the Senator just spoke, and the type of taxes which generate the human responses of which Americans are predictably disposed? Is this a fair observation?

Mr. GORTON. It is a paradox that there are so many new millionaires in the United States. A millionaire's tax that has now dropped to \$250,000, as the Senator from Wyoming points out may drop to \$200,000, which will simply catch, of course, thousands and thousands of additional small businesses, take money out of their ability to grow and out of their ability to provide more employment.

It does seem to this Senator, and I suspect it does to the Senator from Wyoming as well, that while we are hearing a great deal about ways to shift around these new taxes and transmute them from one group to another we hear nothing in this discussion about lowering the deficit by cutting spending further and reducing some of this tax burden in order to encourage these small businesses to provide more employment. Has the Senator from Wyoming, who does serve on the Finance Committee, heard any rumor from the conference committees that they are really considering cutting spending more?

Mr. WALLOP. Unfortunately, I would say to the Senator from Washington, the administration and majority party take a very ill-disposed view toward cutting spending first. It is, after all, their arguably captive constituency who would be affected if spending were cut first. But what they fail to recognize is that this captive constituency would be the first beneficiary of a newer and brighter economy.

Mr. President, I yield 5 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 5 minutes.

LOWER BUDGET DEFICIT

Mr. BURNS. Mr. President, we had some good news last week that the year's projected deficit is lower than originally thought.

I did not see that in big headlines in newspapers across the country. Had it been the other way, that the deficit this year was going to be \$34 billion more than estimated, I imagine that would have made great headlines.

I am disappointed that the Office of Management and Budget is not interested in releasing those figures. I think I know the reason why—because if Americans, many of whom were promised a tax cut before the election, knew that the deficit is lower than expected, they might not be too excited about paying more taxes.

The projected deficit may be \$37 billion below previous estimates, and \$63 billion over the next 5 years.

Now, I know there will be some who will look upon that as a bonus, as an opportunity to spend more money. Instead, I would recommend that this is a great opportunity to rein in some of the taxes about to be foisted on the American people. For example, we could get rid of some of the energy taxes and the increased taxes on Social Security. If we do not need the money, let us cut down on some taxes, especially energy taxes, because those taxes really hurt the people who we are trying to help, and that is the middle class and the working poor, and of course those people who are on fixed incomes.

Now, the conferees also have another option. That is to eliminate the new spending in this Senate bill. Combined with deficit reduction, the deficit would be \$81.2 billion less next year, and that is no small potatoes. Now we are talking about getting somewhere. And I would imagine—I come out of country government. There were some people who sort of had windfalls, whose income was going to be more than they spent, and they looked upon that as new spending and they went and spent it. It was a catastrophic decision for the counties and States because now they are really wrestling with hard times as far as budgets are concerned.

I can liken the situation to any taxpayer who recently discovered he has made a mistake in balancing his checkbook. As it turns out, they have \$64 more than they thought they had, and they could put that newfound money toward their mortgage or any savings account or they could run to the store and put that money into circulation, which spurs the economy.

That is the situation that we now face. We can either reduce the deficit or we can spend this money on things that we cannot afford.

I strongly urge the conferees to consider the options. Do not waste this

wonderful opportunity to substantially reduce the deficit and keep the promises that were made before the election.

LOWERING OF THE TAX BURDEN

Mr. WALLOP. Mr. President, before I yield to the Senator from Delaware. I would just point out some other human responses to which the First Family has availed themselves in order to lower their tax burden. According to their own returns, which were made public, they were in the habit of giving used clothing every year to Goodwill or the Salvation Army and they placed a relatively high value on these items.

For instance, the President's used undershirts were valued at \$3 apiece, his running shoes at \$10, and both his and his daughters' underwear had a price tag of \$1 a pair.

There are human responses, are there not, to the imposition of still higher and higher taxes?

Mr. President, I yield 10 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. I thank my distinguished colleague for the accommodation, Mr. President.

Mr. President, I would like to spend a few minutes and outline just some of the problems I see with the revenue reconciliation bill.

Many of the proponents of this legislation like to talk about fairness. I think it is an important issue to debate. I would like to summarize a few of the unfair tax proposals in the so-called reconciliation bill.

First is the unfair treatment of small business under the tax bill, the unfair treatment of all the employees of those businesses who will suffer because of the resulting increase in unemployment. More than 80 percent of all businesses pay tax at the individual level and not at the corporate level. These small businesses represent 66 percent of all taxpayers making over \$200,000 a year.

President Clinton has proposed that rates on these hardworking Americans be increased from 31 to 42.5 percent. According to a letter that I have received from Secretary Lloyd Bentsen, the increases will go as high as 46 percent.

For many of America's small businesses, this represents a 37-percent increase in tax rates—37 percent—increasing the rates to just about where they stood under President Jimmy Carter. Then the top tax rate was 50 percent. Frankly, America cannot afford to revisit Carternomics.

The taxes President Clinton is pushing are not directed at the Nation's wealthiest—as he promised in his campaign; they are aimed at people like Michael Homlish, a fellow Delawarean who runs a small business of framing stores. Together with his wife, who works as a teacher, Michael Homlish is

now dubbed as one of the rich by the Clinton team. For his hard work, for his sacrifice, for his risk-taking, and for all the jobs he has provided in my little State of Delaware, Michael Homlish is now being punished. To listen to this administration talk, Michael Homlish is just one of the rich who got richer in what has come to be known as a decade of greed.

Well, Mr. President, Michael Homlish built a business in the 1980's because that decade provided Americans with the longest peacetime economic expansion in history. He is a young man with a young family. And just like most everyone else who works hard and provides jobs for others, he cares about his family, his community. He is generous with his time, his talents, his resources. And despite what the revisionists are trying to convince the American people of, these men and women who built businesses in the eighties also ushered us into the most charitable and giving decade in history. Private charitable contributions by individuals grew at a 68 percent faster pace in the eighties than in the late seventies. In the eighties, charitable giving increased by more than 150 percent.

But beyond what these small businessmen and women do for our communities and our States, these men and women represent the job creation side of our economy. Now despite their decade of good work, of thrift, investment and job creation, the President has singled them out to bear the brunt of the largest tax increase in history. In fact, it has been estimated that at least half of the tax rate increases will fall directly on the backs of small businesses and their owners.

Treasury has manipulated the figures to try to show very few small businesses affected, but the fact is a large amount of the expected revenue will come from small businesses. In fact, the Joint Tax Committee has estimated that over 27 percent of the tax increase is money that otherwise would have been retained in active, small businesses—money that would have gone towards future employment, growth and opportunity. This is not money being used for wages or distributed partnership shares—money we commonly associate with taxation. Rather, this 27 percent of President Clinton's tax increase is from money that the small business men and women want to reinvest in their business for the future, just like corporations keeping money in the form of retained earnings.

The irony is that even the large corporations are not being hit as hard as the small businesses. Of course, President Clinton is getting big business to pay more, which will also hurt job growth. But the large corporations will not have to pay anywhere near the 37 percent increase that he is leaving on small business.

Mr. President, I offered a narrow amendment designed to allow these small businesses to retain their profits like corporations do, and pay taxes at the current 31 percent rate rather than the new 42.5 percent rate. We got 56 votes—56 votes—a clear majority. But it fell short because of a point of order.

Clearly, most Senators believe it is unfair to tax small businesses earning as little as \$250,000 at rates over 42 percent. I might point out that major corporations with taxable income of over \$10 million will pay a maximum rate of 35 percent, substantial, indeed, but not as great as the little guy is going to pay.

Mr. President, this is the first way in which this Clinton tax bill is unfair. However, it is not the only way. There are others, unfortunately, many others.

These two I will be addressing in the near future, but I wanted to begin by outlining the assault on small business because small business is literally the engine that makes our economy run. And when it suffers, American business suffers.

Just let me point out in this chart what I am talking about. This chart illustrates the tax rates on retained business profits.

I think most Americans agree with me on the importance of the family farm and the need to help preserve and strengthen it. But the family farm earning \$150,000, under the Clinton tax rate, will pay 38.9 percent. In the amendment that was offered by myself; my distinguished colleague from Wyoming, Senator WALLOP; and Senator PRESSLER, we would have permitted that family farm to retain its profit, its earnings. And if it invests it actively in the family farm, under my amendment, it would have been able to pay 31 percent instead of the 38.9 percent.

Again, the family run restaurant earning \$250,000, a business that would have paid, under the Clinton tax rate, 42.5 percent, would have only paid 31 percent to the extent that the profits or earnings of the restaurant are retained actively in the business. If they pay the funds out as profits, dividends, or wages, they would pay the higher rate like everybody else. But to the extent that money was invested and helped create new jobs, new opportunities, they would only pay 31 percent.

Again, if the small manufacturer—a business that we want to encourage—is earning \$300,000, under the Clinton tax rate, he will pay 42.5 percent, compared with the 25 percent paid by big business. But, again, to the extent that the business retained the earnings or profit and invested it in the business, it would only pay 31 percent.

Let me tell my friends that a few days ago, I visited a small manufacturer at home. I would say he had roughly 12 workers, good paying jobs,

high technology, selling their product not only in America, but all over the world. They are anxious to grow and expand and create new, good jobs. But they told me they will not be able to do so with these new tax rates, because they will not have the capital to invest. What a missed opportunity that would be.

Finally, as I pointed out, big corporations will only pay 35 percent, when the small manufacturer is paying 42.5 percent. Is that fair? Is that equitable? Is that in the interest of America's future? Are we helping to create the jobs that are so critically important, so necessary for the young, the unemployed, the underemployed? The answer is no.

Mr. President, we cannot tax America into prosperity. It is a mistake. The reconciliation legislation is taking America the wrong way at the very time our economy is beginning to move. I do not believe that it is going to help to impose the largest tax increase in the history of America.

Mr. President, I yield back the remainder of my time, and I thank my colleague for the time.

GROWING DEPENDENCE ON GOVERNMENT—NOT JOBS

Mr. WALLOP. Mr. President, I thank the Senator from Delaware. I think the point he raises cannot be emphasized often enough. The Senate was treated to an eloquent statement last week by the Senator from Utah about what we have done to hurt small business in the first 6 months of this year.

One of his statements, which he graphically illustrated with charts, was of an investor in a business where growth had declined and was going to be more modest over the course of next year. The business was only going to grow 10 percent. The original investor wanted to get out of this investment in order to put his money to work in another business, which was anticipated to grow by 25 percent and would create new jobs.

Guess what? After the capital gains tax increases which do not take into account the surtaxes proposed by the President, the investment would pay more by staying in the old business returning 10 percent, than being reinvested in a new business, growing at 25 percent.

What happens then, Mr. President, is that the country loses jobs. The country loses innovation. The country loses entrepreneurs. Capital gets fundered by the tax rate. This was not just a human response, it was a plain old economic response. Because of current taxes, the investor could make as much on his capital by keeping it in a company whose growth had slowed to 10 percent, rather than reinvesting the money in a company whose growth was projected to be 25 percent.

The President of the United States has made clear that the ultimate goal

of his deficit reduction package is to produce sufficient revenue to allow for increased spending. On May 14 he said:

"I think it will help the economy, bring in more revenues and permit us—

The Government—

to spend more." A senior administration official said: "Until further notice, we are sticking with our previous positions, and one of them has always been there is no acceptable alternative to the energy tax that raises the revenue needed to pay for some of the investments and things we want to do."

Note that there is no comment in these statements that new taxes would be used to reduce the deficit. These revenues are designed to grow Government, not the economy. These revenues are designed to grow dependents; not free, investing, job-holding Americans.

I yield 5 minutes to the Senator from Idaho.

THE MIDSSESSION REVIEW OF THE ECONOMY

Mr. CRAIG. Mr. President, I thank the Senator for yielding and conducting this special order today on Clintonomics, as the House and Senate convene the budget reconciliation conference.

It is very important that the Senate speak to these issues and how important they are. First, I want to rise to call upon the President and the Director of the OMB to comply with the Budget Act and to send to Congress their complete midsession review of the economy and the budget.

That is their responsibility under the law and, as of Friday, July 16, they are in violation of the law and the Budget Act.

I remember how Candidate Clinton promised middle-class tax cuts and painless budget decisions, and how surprised he proclaimed to the Nation he was to find the deficit even larger. Well, the delay in the midsession review is tied to another surprise for our President, William Clinton.

All the administration has issued thus far is the briefest of summaries, but the projected deficit is going to be \$37 billion lower in the first year and maybe \$64 billion lower in the 5 years of the President's budget plan.

But without the underlying data on the economy—the taxes and the spending—we need to know those facts. I want to assure the President that this Senator will not use the midsession review to call for less deficit reduction. It will not change my call that we cut spending first.

That is the key, Mr. President. I think what the President is afraid of is that too many of his colleagues in the Democratic party, who are getting very skittish at this moment, this big tax package that he is trying to force down the throats of their faction, along with mine, may not be as palatable if they are allowed to see the facts of the midsession review. It is important that we see that in the kinds of decisions that we make.

In the past we have discussed how the new administration uses euphemisms like "investment" when it really means "spending" and how that does convolute the message that we attempt to send from Washington to the taxpayers of this country. And I am not sure that is not done intentionally by this administration. I cannot understand how spending becomes investment to the average citizen of this country. I am curious about who does the legitimate investing. The administration's tax-and-spend policy indicates that Government does the investing and they invest more and more of American citizens' incomes.

It is not surprising that the free enterprise system gets the opportunity to invest less and less as our Government, through the President's plan, proposes to invest more and more.

What other conclusions can we reach by the reconciliation tax bill that currently is before the conferees? Well, it complicates and discourages pension contributions in a variety of ways. It penalizes and discourages individuals who want to save to provide for their own retirement. It discourages savings and investments in dozens of ways.

There is a new study out that all Senators will be getting on their desks in just a few days, a study by the Institute for Research on the Economics of Taxation, better known as IRET. It will be Economic Policy Bulletin No. 61. This bulletin describes how the President's tax and budget plan in the reconciliation bill now in conference is going to threaten the private sector savings and investment and that which stimulates economic growth in this country.

For the record, Mr. President, I ask unanimous consent that this new document and two supporting editorials from the New York Times be printed in the RECORD.

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

**BUDGET PACKAGE THREATENS SAVING,
GROWTH—ECONOMIC POLICY BULLETIN NO. 61**

(By Stephen J. Entin)

Both the House and Senate versions of the Omnibus Budget Reconciliation Act of 1993 (OBRA93) rely principally on President Clinton's proposed tax increases to achieve the deficit reduction sought in the budget package.

The rationale for OBRA93's deficit reduction is fatally flawed because it falsely assumes that the tax increases would have no adverse effect on private saving, investment, and economic growth.

The budget package would depress private saving by directly and indirectly raising marginal tax rates on individuals and corporations. Productivity, wages, and employment would grow more slowly than otherwise, and the global competitiveness of U.S. businesses would be impaired.

Efforts to soak the rich through income tax rate increases on "wealthy" individuals, estates, and trusts would cut the after-tax return on income from working and saving of

the nation's most productive people, discouraging personal effort and investment. The estimated revenue gains from these tax increases are unlikely to be realized.

The 36% tax bracket and surtax thresholds would not be indexed for inflation until after December 31, 1994 and would affect taxpayers at lower incomes than advertised under the plan.

Eliminating the Medicare tax wage cap would increase the marginal tax rate for employees earning over \$135,000 and discourage the employment of upper-income workers.

The capital gains surtax in the Senate bill would aggravate the already existing tax bias against saving, increase the cost of capital, and reduce investment. It is unlikely to raise revenue.

Increasing the tax on corporate income would raise the combined corporate and individual tax rate on paid-out dividends to over 60%. The incentive to save would be reduced and the cost of corporate capital would rise.

OBRA93 would increase the transfer tax on savings changing hands through large estates and gifts and would result in a lower level of private saving and capital formation than would otherwise occur.

Increasing the taxable portion of social security retirement and disability benefits from 50% to 85% is really a tax on private wages and savings income and would impair incentives for personal saving for retirement or disability.

Provisions aimed at reducing pensions for highly-paid employees in OBRA93 would create a catch-22 that would reduce pension contributions for low- and middle-income employees and could result in the termination of some "qualified plans" for retirement.

Increased tax penalties for personal retirement saving would send the message that Congress and the President do not want individuals to save for their own or their families' future.

Four provisions purporting to prevent ordinary income from being treated as capital gains would increase the cost of financial transactions, impair the operation of the financial markets, and worsen the anti-saving, anti-investment bias of the tax code.

The House Btu energy tax and the Senate motor fuels tax hike provisions would reduce national income and consequently national saving.

As it stands, the effect of OBRA93 on the economy would be directly contrary to the President's and the Congress' stated goals of increasing capital formation, investment and economic growth. The economy would be smaller and less efficient under OBRA93 than under current law.

INTRODUCTION

As this study goes to press, the final version of H.R. 2264, the Omnibus Budget Reconciliation Act of 1993 (OBRA93) is being negotiated in a House-Senate conference. OBRA93 would contain the bulk of President Clinton's economic proposals, as modified by the Congress.

One of the chief objectives of the reconciliation bill is deficit reduction. The chief reason given for seeking deficit reduction is that would lower government borrowing and, supposedly, raise national saving by decreasing the government's absorption of private saving. Supposedly, the higher national saving would reduce interest rates, permit more private sector investment and faster economic growth, and enhance the global competitiveness of U.S. businesses.

This line of reasoning is fatally flawed. It rests on the assumption that the tax increases that make up the bulk of the reconciliation package would have no adverse

effect on private saving and on investment incentives. Yet the tax increases would reduce private saving dollar for dollar, or more. There is no reason to believe that national saving would increase, no reason to suppose that interest rates would be lower, and every reason to believe that saving, investment, and GNP would be less than they would be if this package does not become law.

OBRA93 would depress saving by raising marginal tax rates on individuals and businesses and by curtailing retirement saving plans. Higher tax rates would reduce individuals' and businesses' after-tax incomes, reducing the private sector's ability to save. More importantly, higher tax rates would lower after-tax returns to savers and thereby reduce the incentive to save out of any given amount of after-tax income. As a result, saving and investment would be less than they would be without the tax increases, slowing the growth of GNP. Lower growth of GNP would further reduce the growth of after-tax income and saving compared to levels achievable in the absence of the tax increases.

In particular, the package singles out personal saving for retirement for some of the heaviest tax penalties. By doing so, the package would interfere with people's efforts to provide for their own retirement. The cost of saving would become greater, and the ability to accumulate enough financial assets or other income-generating property to cover retirement needs would be diminished. People would be forced to accept later retirement, or retirement with reduced incomes. They would certainly become more dependent than ever on Social Security and other government payments in their retirement years, which would mean even higher taxes on future generations of workers and savers.

The result of the reconciliation bill's attack on saving and investment would be lower growth of productivity, wages, and employment, and a reduction in the global competitiveness of U.S. businesses relative to levels that would occur if the deficit were addressed solely through restraint of government spending. The wholesale assault on private saving in the budget reconciliation bill is especially ironic given the rationale that has been used to justify deficit reduction.

Anti-saving provisions in the House and/or the Senate version of OBRA93 include:

- Individual tax rate increases (including a new 36% tax rate and a 10% surtax, higher alternative minimum tax rates, and permanent extension of the phase-outs of the itemized deductions and personal exemptions enacted on a temporary basis in 1990);

- Removal of the \$135,000 cap on income subject to the HI (Medicare) portion of the payroll tax;

- A capital gains surtax (Senate version);

- Increased corporate tax rates, longer asset lives on structures, and restrictive foreign tax provisions;

- Increased transfer tax rates on large estates and gifts;

- Tax increases on Social Security retirement benefits;

- Tightened retirement plan restrictions;

- Disallowance of capital gains in determining the amount of deductible investment interest expense;

- Denial of capital gains treatment to stripped stock, market discount bonds, and certain hedged positions in stocks and commodities.

In addition to provisions that directly affect saving, the general anti-growth consequences of the bill would reduce national

income and, consequently, national saving. The chief culprits among the general anti-growth provisions are the House Btu energy tax and the Senate transportation fuels tax. One or the other of the energy taxes is likely to emerge in the Conference Committee bill.

OVERVIEW OF TAXES, SAVING, AND DEFICITS

Federal, state, and local tax code bias against saving.—Under provisions of the federal income tax, income is taxed when first earned. If it is used for consumption, it is free of additional federal income taxes. If it is saved, however, the returns on the saving are taxed again, often repeatedly. This is the well-known bias of the income tax against saving.¹

After income has been earned and taxed, personal taxes on returns on non-corporate investments, such as interest, rents, and earnings of unincorporated businesses, constitute a second round of taxation—double taxation—of income that is saved. Similarly, personal saving invested in corporate ownership is subject to a second round of taxation—the corporate income tax on the corporate earnings on that saving. A third round of income tax—triple taxation—is imposed if the corporation distributes its after-tax income as dividends to individuals. If the corporation retains its after-tax earnings for reinvestment, the resulting increase in the share price constitutes a capital gain, also resulting in a third layer of tax on the retained earnings if the shares are sold.

Capital gains may also occur when a business's earnings outlook improves for reasons other than reinvestment. A new product or patent, a rise in sales, anything that would lead to a jump in anticipated income (income that the business has not even received yet) may boost the current valuation of the shares or business. If the higher expected business earnings come to pass, they will be taxed as corporate income and/or personal business or dividend income. To tax the increase in the current value of the business, either upon sale, gift, or bequest, is to triple-tax the future income.

If the saving outlives the saver, the federal unified transfer (estate and gift) tax may impose yet another layer of tax on saving. Every dollar in an estate has already been, or will be, subjected to one or more layers of individual or corporate taxation. Insofar as the transfer tax exceeds the transfer tax credit, the saving is triply or quadruply taxed.

The chief exception to the added layer of taxation produced by the transfer tax are unrealized capital gains. Capital gains are not subject to income tax upon a taxpayer's death, and the heirs are allowed to step up the income tax basis of the inherited assets to their market value at the time the death occurred. Step-up avoids an additional layer of multiple taxation. Without the step-up, capital gains held at death would be subject to both the income tax (when the heirs eventually sell the asset) and the estate (transfer) tax.

In addition to the federal income and transfer taxes, state and local income, estate, and gift taxes impose multiple layers of tax on saving and its returns. There are property taxes as well.

These multiple layers of tax on saving and capital increase the cost of saving, leading to a smaller stock of capital than would otherwise prevail. A smaller capital stock means a lower level of labor productivity, which means lower real wages and employment, and lower levels of total income than could otherwise have been achieved.

Gauging the effect of a tax hike on private saving, revenues, and the deficit.—Taxes affect both the incentive to save (how much total saving one wants to accumulate) and the ability to save (the amount of disposable income available to be saved). The effect of a tax rate hike on the incentive to save depends on how much it raises the cost of saving, or, put a bit differently, how much it reduces the after-tax reward to saving, from current levels. The key is to examine the change in the current after-tax reward "at the margin" to an additional dollar of income from saving.

Taxes at all levels must be considered. Business tax increases come directly out of business saving, which is the sum of retained (after-tax) earnings of corporations and capital consumption (depreciation) allowances. Furthermore, changes in business taxation also affect the incentive to save on the part of shareholders and owners of unincorporated businesses.

Individual tax rate hikes of 5 or 9 percentage points may not seem like much at first glance if measured against total income. However, the tax increase is in addition to taxes already being paid. The increase must be measured against the income the taxpayer has left after paying the taxes already in place. Because the taxpayers affected by the OBRA93 income tax increases already pay high tax rates, the drop in their after-tax returns on saving will fall sharply.

Consider a taxpayer in the 31% federal tax bracket, with a state income tax of about 6% at the margin. After the currently-scheduled expiration of the phase-outs of itemized deductions and personal exemptions, his combined marginal tax rate would be roughly 37% on capital income; an extra dollar of capital income would net him only 63 cents, after-tax.

House and Senate versions of OBRA93 would boost the combined federal-and-state marginal rate as high as 43% for a taxpayer not subject to the phase-outs and as high as 49% for a taxpayer subject to the phase-outs. The rate hike would cut the after-tax return on the taxpayers' saving to 57 cents or as little as 51 cents, declines of roughly 10% to 19%. (Factoring in corporate taxes would reveal an even greater decline). A drop in the after-tax return to saving of that magnitude would significantly reduce investment, investment income, and the growth of productivity and wages.

A given rate hike cuts the after-tax reward by a greater percentage if the tax rate was high to begin with than if it was low. Consequently, rate hikes on the "rich" disproportionately reduce rewards for work, saving, investment, and entrepreneurial activity for the very individuals who do a disproportionately large amount of these activities, and who consequently produce a disproportionately large amount of the GNP.

The effects of the reduced incentives and GNP would not be confined to the rich, however. Upper-income people would reduce the amount of skilled labor and entrepreneurial talent they supply to the workplace, and would save and invest less. Less capital, and less entrepreneurial input, would result in reduced productivity, wages, and employment for all workers. People of all income levels would have lower incomes than in the absence of the tax increases. Consequently, people of all income levels would be able to save less than otherwise.

Moreover, not all of the anti-saving, incentive deadening tax provisions in OBRA93 have their initial effect on the wealthy. Some of the provisions directly affect current saving by persons of all income levels, even those with incomes below \$20,000.

¹Footnotes at end of article.

Tax rate increases never achieve the revenue gains or the deficit reduction that the proponents of the rate hikes anticipate and hope for. The tax rate increases proposed in OBRA93 would cause taxpayers to change their economic behavior, and the economy would suffer as a result. Total income would be lower than without the tax increases. In addition, there would be greater incentives to divert income into less heavily taxed forms. For both reasons, taxable income would be less than otherwise. Consequently, the revenue gain projected from the proposed tax rate increases is overestimated.

Reduction of effort and investment by upper-income people need not be large to sharply reduce the revenue to the government for the tax rate increases proposed in OBRA93. The various tax rate hikes in OBRA93 would add from 5 to 13 percentage points of tax to each dollar of capital and labor income that the affected taxpayers continue to earn. But the government would lose all revenue, some 31 to 44 cents (including income tax and payroll tax where applicable) for every dollar that upper income individuals choose not to earn as a result of the tax rate increases. Each dollar of income not earned would wipe out the revenue gain on three to four dollars of income that continued to pay tax.

TAX PROVISIONS IN OBRA93 AFFECTING SAVING

Individual income and payroll tax rate increases.—House and Senate versions of OBRA93 would impose a series of explicit and implicit marginal tax rate increases on upper-income taxpayers. The rate hikes would seriously reduce the incentives to work, save, and invest among the affected people. GNP, employment, and productivity would grow more slowly than in the absence of the tax increases. Tax avoidance would increase. Taxable income would be lower than without the tax hike. Revenue from the rate hikes would fall far short of expectations.

New 36% bracket, surtax, and increase in AMT.—OBRA93 would impose several explicit marginal tax rate increases. It would create a new tax bracket with a rate of 36% on taxable incomes above \$140,000 for married couples filing jointly and on single filers with taxable incomes over \$115,000. A 10% surtax would hit those with taxable income over \$250,000, creating an effective rate of 39.6%. (Unlike the House, the Senate would apply the surtax to capital gains as well as ordinary income. See below.) The basic Alternative Minimum Tax (AMT) rate would be increased from 24% to 26%, and a second AMT bracket at a 28% rate would be added on AMT income over \$175,000. The Senate version would impose half the increases in 1993 (in effect, making the rate hikes effective at midyear): the top bracket rate would be 33.5% in 1993 and 35% in 1994; the surtax rate would be 36.85% in 1993 and 39.6% in 1994. The House version would make the full rate increases effective for all of 1993.

A review of the fine print reveals that both versions would let inflation lower the real income thresholds at which the proposed 36% bracket and the 10% surtax kick in. The current tax brackets, the personal exemptions, and standard deductions are adjusted (indexed) for inflation. These thresholds for the new bracket and surtax would be indexed too, but only after a year's delay, that is, for tax years beginning after December 31, 1994. Assuming 4% inflation between 1993 and 1994, the 36% bracket thresholds for 1994 and beyond would be allowed to slip to \$134,615 in real 1993 dollars for married taxpayers and to \$110,577 for single taxpayers. The 1994 surtax threshold would slip to \$240,385 in real 1993

dollars, and remain at this depressed real level forever after.

The result of the slippage in the bracket thresholds would be to subject more of the nation's most productive people to punitively higher tax rates, disproportionately discouraging output and saving. Punishing the nation's major savers and investors is strange behavior for Members of Congress who publicly fret over the inadequacy of national saving and investment.

Permanent extension of phase-outs of itemized deductions and personal exemptions.—House and Senate versions of OBRA93 would impose hidden marginal tax rate hikes by extending the present law's phase-outs of personal exemptions (PEs) and up to 80% of itemized deductions (IDs) for upper-income taxpayers. PEs are phased out over adjusted gross incomes (AGIs) of \$108,450 to \$230,950 for single individuals and \$162,700 to \$285,200 for married couples filing jointly. IDs are gradually lost on AGIs above \$108,450 for all filers, without upper limit. The phase-outs were scheduled to expire in 1996 (IDs) and 1997 (PEs).

The phase-outs were enacted as part of the 1990 budget deal—OBRA90—to raise revenue from the upper income without explicitly raising marginal tax rates, which President Bush had pledged not to do. Because of the phase-outs, however, an additional dollar of income raises taxable income by more than a dollar, effectively raising the marginal rates. For example, in 1993, a married couple in the 31% bracket, with two children, losing IDs and PEs faces an effective 34.3% marginal income tax rate. Under the proposed 36% tax rate, the phase-outs would boost the effective marginal tax rate to 39.8%. (The increase would become steeper over time as the PEs increase with inflation, because the phase-out ranges are not indexed.) Taxpayers affected by the phase-out of IDs and the proposed 10% surtax would face a marginal tax rate of 40.8%. (See table.) These proposed tax rates are far higher than the 31% rate that would apply under current law after expiration of the phase-outs.

Of course, these are federal income tax rates only. Taxpayers subject to state and local income taxes could have marginal tax rates considerably higher. Some or all of wage income is also subject to the payroll tax at the margin.

Elimination of the Medicare wage cap.—House and Senate versions of OBRA93 would eliminate the current \$135,000 wage cap on the 2.9% Medicare (HI, hospital insurance) portion of the payroll tax, which would then cover all wage and salary income. Because half of the HI tax is deductible against the income tax by the employer or the self-employed taxpayer, the net increase in the marginal tax rate on labor income over \$135,000 would be about 2.4 percentage points. High-salaried employees with a family of 4 could face a combined marginal federal income and HI tax rate of 39.5% to 43.2%. (See table.)

Elimination of the wage cap would not raise marginal tax rates on income from saving, and would not directly reduce the incentive to save. However, it would depress saving by reducing the disposable income of the affected workers. The first activity curtailed by a taxpayer when taxes rise is saving, and much of the tax increase would be matched by a cut in personal saving. Furthermore, the higher marginal tax rate on wage and salary income would reduce work incentives and raise the cost of labor to businesses. Business saving would fall. There would also be less employment of upper-income workers. The loss of their skills and effort would

reduce the productivity, income, and saving of other workers, and reduce the productivity and earnings of capital, indirectly reducing saving incentives further.

TOP FEDERAL MARGINAL TAX RATES, CURRENT LAW AND UNDER OBRA93 FOR A FAMILY OF 4

(In percent)

	Current law	Proposed 36 percent tax rate	Proposed 36 percent rate and surtax
Marginal base income tax rate	31.0	36.0	39.6
Plus ID phase-out (and HI tax) ¹	31.9 (34.3)	37.1 (39.5)	40.8 (43.2)
Plus ID and PE phase-outs (and HI tax) ²	34.3 (36.7)	39.8 (42.2)	(?)

¹ID—Itemized Deductions; PE—Personal Exemptions; HI—Hospital Insurance portion of payroll tax, half tax deductible by employer (2.9 percent before deduction, about 2.4 percent after).

²Few taxpayers would encounter both the surtax and the phasing-out of PEs on the same dollar of incremental income. Most people with taxable income at the surtax levels have AGIs large enough to have lost all their PEs.

The capital gains surtax (Senate bill).—The Senate version of OBRA93 would extend the 10% surtax to capital gains insofar as taxable incomes exceed the surtax thresholds. The surtax would raise the top tax rate on capital gains from the current 28% to 30.8% (exclusive of the effects of the phase-outs of itemized deductions and personal exemptions). The House version would retain the current 28% cap on the tax rate on capital gains.

Taxation of capital gains is part of the double or triple taxation of capital income, described above and in the following table, on the taxation of corporate income. Raising the rate would aggravate the tax bias against saving, increase the cost of capital, and reduce investment. Furthermore, it is unlikely to raise revenue, because it would immediately reduce the market value of existing capital assets, encourage taxpayers to realize fewer gains, and would depress the growth of investment, employment, and wages.²

The fairness issue has frequently been raised with respect to the taxation of capital gains. A significant portion of capital gains accrues to people in the top few percent of the income distribution. It is claimed that cutting the tax rate on capital gains would unfairly benefit upper-income individuals, and, therefore, that raising the tax is fair. The real fairness issue, however, is that the capital gains tax is multiple taxation to begin with. In an unbiased, neutral tax system, there would be no taxation of capital gains, as such.³ Indeed, the taxation of capital gains is unfair, both to savers and investors who bear the tax directly, and to workers who suffer the loss of productivity and real wage rate gains from the reduced capital formation caused by the tax.

Increased corporate tax rates.—People who invest their saving in corporate stock face combined corporate and individual income taxes at the federal level in excess of 50% on their corporate earnings. OBRA93 would raise the combined rates in some cases to over 60%. The incentive to save would fall; the cost of corporate capital would rise; the economy would be weaker than in the absence of the tax increase.

The House and Senate versions of OBRA93 would increase the corporate tax rate (including the tax rate for capital gains realized at the corporate level) to 35% on taxable profits in excess of \$10 million. These changes would add an additional corporate tax bracket and tax rate on top of the current brackets which bear rates of 15%, 25%,

and 34%. Current law recaptures the "benefits" of the 15% and 28% rate via a 5 percentage point surtax (effective 39% tax rate) on income between \$100,000 and \$335,000, leaving firms with higher income paying a flat 34% tax. The altered law would recapture the "benefit" of the 34% rate with a 3 percentage point surtax (effective 38% tax rate) in much the same manner on income between \$15,000,000 and \$18,333,333.33.

The combined tax rates imposed by the current corporate and personal income taxes on corporate earnings exceed 50% for many savers, leaving the shareholders less than \$0.50 in after-tax return on each dollar of corporate earnings paid as dividends. Under the two versions of OBRA93, the combined rates could exceed 60% on dividends, cutting the after-tax return to less than \$0.40 per dollar of distributed earnings. (See table.)

The rationale for the corporate income tax is to prevent shareholders from indefinitely postponing tax on their share of corporate income that is retained for reinvestment by the company. However, by imposing a tax on all corporate income, including dividends paid out and taxed again at the individual level, a double tax is imposed. In addition, retained earnings resulting in a capital gain could reach 55% under the Senate version of OBRA93, leaving the individual investor only \$0.45 per dollar of reinvested earnings.

THE MULTIPLE TAXATION OF CORPORATE FARMINGS, UNDER CURRENT LAW AND OBRA93 TAX RATES

	(a) Dividend payout		(b) Retained earnings		
	Current	OBRA93 Senate and House	Current	Senate	House
1. Corporate Income	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
2. Corporate tax at top rate ¹	.34	.35	.34	.35	.35
3. After-tax income (a) paid as dividend or (b) retained, raising stock price	.66	.65	.66	.65	.65
4. Individual Inc. tax on dividends (line 3), at top rate (31 percent current law, 39.6 percent OBRA93) ²	.205	.257			
5. Individual Inc. tax on after-tax retained earnings (line 3) taken as capital gain, at top rate (28 percent current, 30.2 percent Senate, 28 percent House)			.185	.20	.182
6. Total tax	.545	.607	.525	.55	.532
7. Total tax rate (percent)	54.5	60.7	52.5	55.0	53.2

¹ Top corporate rates exclude corporate surtaxes. Top individual rates exclude effects of phase-outs of itemized deductions and personal exemptions. Capital gains are assumed realized in year earned.

The higher tax rates imposed by OBRA93 on dividends, capital gains, and corporate earnings make it even more urgent to ameliorate the multiple taxation of corporate income. Reducing or eliminating the capital gains tax and curbing the multiple taxation of dividends would reduce the tax penalties on capital formation and thereby improve the competitive position of American businesses in the world marketplace.

Since a large part of individual saving, especially for retirement, is invested in corporate equities (either through direct ownership of stock or indirectly through mutual funds, pension plans, and annuities), the additional layer of tax on corporate income is particularly hard on the private provision of retirement income.

Complete elimination of the additional layer of tax imposed by the corporate income tax could be achieved through the integration of the corporate and individual income taxes.

Each year, corporate income would be attributed to the shareholders for tax purposes. The corporation would inform each shareholder what his or her share of earnings is, and the shareholder would report that amount as taxable income on his or her individual tax return, and pay tax at whatever rate applies to his or her taxable income.

Most countries employ a modified approach to reducing the double taxation. Many allow corporations to deduct dividends paid from the company's taxable income, resulting in a tax on dividends only at the personal income tax level. This still leaves a double tax on retained earnings that raise the value of corporate stock, which most countries lessen through reduced taxation of capital gains.

Higher income tax rates for estates and trusts.—OBRA93 would raise income tax rates on estates and trusts. Many people save in part to be able to leave a bequest or establish a trust for their children. Higher income tax rates on estates and trusts raise the cost of doing so and would, therefore, discourage saving.

OBRA93 would add a 36% tax bracket to the income tax for estates and trusts with taxable incomes above \$5,500, and a 10% surtax on taxable income of estates and trusts above \$7,500. It would also decrease the thresholds at which all lower estate and trust tax rates become effective. The 15% rate would apply to income up to \$1,500, the 28% rate to income between \$1,500 and \$3,500, and the 31% rate to income between \$3,500 and \$5,500. The Senate version would provide blended rates for 1993, and full rates for 1994. The House version would impose the full rate hikes in 1993. The Ways and Means and Finance Committees consider the current 15% and 28% tax rates on small estate incomes to be a "benefit" (as if all income should have been taxed at the current 31% top rate), and rationalize that with a new top rate, even the old 31% rate would become a "benefit". They would narrow the lower brackets of the estate income tax schedule to raise the tax and reduce the "benefit" of the rates below 36% to equal the current "benefit" of the 15% and 28% rates. This reasoning implies that all income belongs to the government, and any income the taxpayer keeps is a "benefit".

Increased transfer tax rates on large estates and gifts.—OBRA93 would permanently increase the top tax rates of the unified transfer tax (combined estate and gift tax) from the current level of 50% on lifetime transfer amounts over \$2.5 million to 53% on transfer amounts between \$2.5 million and \$3 million and to 55% on transfer amounts over \$3 million.⁴ The transfer tax affects everyone, not just upper-income transferors and their transferees. A recent study describes and estimates the economic damage done by the tax:

"Transfer taxes penalize success and the creation of wealth. The benefits of wealth are not confined to the individual who owns it; all of society is served by the enhancement of labor's productivity that depends critically on capital accumulation. The adverse effects of transfer taxes on saving and capital formation, therefore, are costs imposed on society as a whole.

"* * * (H)ad the transfer tax been repealed in 1971, * * * by 1991 the nation's gross domestic product (GDP) would have been \$46.3 billion higher, there would have been 262,000 more full-time equivalent jobs, and the stock of capital would have been \$398.6 billion greater than the respective actual amounts in that year."⁵

As discussed above, every dollar making up an estate has been previously taxed, or will be taxed, under some provision of the income tax code. The unified transfer tax is a further layer of federal tax on accumulated saving. Under present law, it is imposed at higher rates than either the individual or corporate income tax. OBRA93 would increase the weight of this additional tax layer.

Milton Friedman has pointed out that the estate tax sends a bad message to savers, to wit: it is O.K. to spend your money on wine, women, and song, but don't try to save it for your kids. The economic irrationality of the tax is surpassed only by its moral absurdity.

Tax increases on social security retirement and disability benefits.—The so-called tax on social security retirement and disability benefits is really a tax on other, private income—interest, dividends, pensions, and wages—received by individuals collecting social security benefits. Under current law, the tax treatment of social security benefits imposes tax rates of up to 42% on the earnings of private saving—a powerful disincentive to save. OBRA93 would raise the rate as high as 51.8%, and would make saving for retirement or disability even less attractive. Incentives to work would be reduced as well. Beneficiaries subject to the earnings limitation could face rates in excess of 100% on wages.

Under current law, benefits start to be taxed when modified adjusted gross income (MAGI)—the sum of a beneficiary ordinary AGI (wages, interest, pensions, dividends, etc.), tax exempt bond income, and half of social security benefits—exceeds \$32,000 for a married couple filing jointly and \$25,000 for a single taxpayer. Under current law, for each dollar by which MAGI exceeds the exempt amounts, \$0.50 of the taxpayer's social security benefits becomes taxable income, up to half of benefits.

As benefits become taxable, earning another dollar of taxable interest, dividends, pensions, or wages increases taxable income by \$1.50, effectively raising the marginal tax rate on the added dollar of income to 1.5 times the statutory rate, e.g., from 15% to 22.5% or from 28% to 42%. An added dollar of tax exempt interest raises taxable income by \$0.50, subjecting the otherwise untaxed interest to de facto marginal tax rates of 7.5% for taxpayers in the 15% bracket, and 14% for taxpayers in the 28% bracket. Once half of benefits have become taxable, additional earnings again face normal marginal tax rates. (The 31% rate is not affected. Half of benefits become taxable before a taxpayer's income exceeds the 28% tax bracket.)

The additional tax at super-statutory rates is triggered by the earning of additional private income, not by any change in one's social security benefits, which are set by a formula beyond an individual's control. Consequently, it is the other retirement income that bears the tax, not the benefits. The result is a sharp disincentive for private retirement saving.

The House version of OBRA93 would increase the amount of social security retirement and disability benefits subject to income tax to 85 percent of married couples with MAGI above the current \$32,000 threshold and for single beneficiaries with income above the current \$25,000 threshold. The Senate version would increase the share of benefits subject to tax to 85 percent for beneficiaries with incomes above \$40,000 (married couples) and \$32,000 (singles).

Affected beneficiaries would have to add \$0.85 of benefits to taxable income for each dollar of MAGI over the House or Senate thresholds until 85 percent of benefits become taxable. This would increase the marginal tax rate spike to 1.85 times normal

rates. The 15% marginal income tax rate would become 27.8%, and the 28% marginal income tax rate would jump to 51.8%.

At first, the higher tax rates under OBRA93 would fall on the top 20 percent or less of social security beneficiaries—some (Senate version) or all (House version) of

those currently paying tax on benefits. Ultimately, however, over 60 percent of beneficiaries will pay some tax on their benefits, because the income thresholds for benefit taxation are not adjusted for inflation. At three percent inflation, by 2010, when the baby boom is beginning to retire, the thresh-

olds for married and single taxpayers will have fallen to roughly \$19,000 and \$15,000 in today's dollars. Children now in kindergarten will face thresholds of roughly \$5,900 to \$4,600 in 2050, and will avoid tax on their benefits only by being too poor to owe any income tax at all.

EFFECTIVE MARGINAL TAX RATES FOR SOCIAL SECURITY RECIPIENTS

(In percent)

Statutory tax rate	Marginal income tax rate as benefits become taxable		With wages subject to the earnings test, payroll ¹ and income taxes			
	Current law (150 percent of statutory rate)	OBRA93 (185 percent of statutory rate)	Ages 65-69		Ages 62-64	
			Current law	OBRA93	Current law	OBRA93
15 percent	22.5	27.8	62.2	66.6	78.3	82.2
28 percent	42	51.8	80.7	88.8	96.2	103.5

¹ Assumes employee's half of payroll tax. Add about 5 percentage points for self-employed after tax deductibility of half of benefits and interaction with benefit taxation.

Under current law, even higher tax rates occur when a beneficiary is subject to the social security earnings limit on wage and salary income (in 1993, \$7,680 for beneficiaries ages 62-64, and \$10,560 for those ages 65-69) as well as the phase-in of benefit taxation. Beneficiaries lose \$1 in benefits for every \$2 by which wages exceed the limit for people ages 62-64 or \$1 for every \$3 by which wages exceed the limit for people ages 65-69, producing effective tax rates of 50% and 33½%, respectively, on the wages. These implicit tax rates due to the earnings test are not strictly additive to the income tax effects of benefits taxation, because the benefit reductions slightly reduce the income tax spike. Nonetheless, together with the employee's half of the payroll tax on the added earnings, the tax rate on beneficiaries' wages can reach confiscatory levels in excess of 96% (and over 101% for the self-employed) before state and local income taxes. Under OBRA93, the marginal tax rates under the combined benefit tax and earnings test could exceed 103% (and over 108% for the self-employed) before state and local income taxes. Benefits lost to the earnings test may be recovered later in life if excess earnings cease, and if the retiree lives long enough, but the added disincentive is surely daunting, and would be made more so by OBRA93. Beneficiaries would surely work, earn, and save less as a result of OBRA93.

The only reason for including the social security benefits tax provision in OBRA93 is to raise revenue. Current tax treatment of benefits already moves Social Security in the direction of a welfare program by back-door means. The OBRA93 proposals would go further in that direction. The increased tax poisoning of private retirement saving would send a message to current workers that would not go unnoticed: Congress does not want you to save.

Reform of social security benefit taxation (and the earnings test) is urgent. The current tax treatment imposes mindless disincentives to work and save. The OBRA93 changes would exaggerate these flaws. If the objective is fairness, or similarity to the tax treatment of private pensions, it cannot be achieved with tax rates approaching or exceeding 100%. If the objective is to turn social security into a means-tested welfare program, there are surely more efficient ways to do it.

Tightened retirement plan restrictions.—OBRA93 would seriously impair employer-sponsored "qualified plans" and raise the cost of retirement saving for workers. Ostensibly aimed at reducing pensions for highly-paid employees, the changes would affect low- and middle-income employees as well.

Ultimately, the provision could result in the termination of some pension plans.

The House and Senate versions of the bill would reduce the amount of annual compensation that may be taken into account in determining amounts that may be contributed to qualified retirement plans. The current limit is \$235,840 in 1993 (indexed for inflation); the bill would lower the limit to \$150,000 (indexed). The reduced contribution limit would apply to defined contribution plans, such as 401(k) plans, and to defined benefit plans, such as traditional company pension plans.

Only contributions to qualified plans are tax deductible by the business or employee. To be qualified, a retirement plan must meet non-discrimination rules designed to ensure that the tax benefits are utilized by low-paid as well as high-paid employees. Because of the non-discrimination rules, the reduced contribution limit would affect contributions for workers at all income levels, and hurt the very workers the rules were designed to help.

The biggest burden of the proposal would fall on those with more modest incomes, as low as \$18,000. Many middle-income employees would be forced to scale back their contributions to 401(k) plans. Many lower-income workers could see their broad-based, qualified, and largely pre-funded defined benefit plans terminated in favor of unfunded, unqualified plans covering only a business's highest paid executives. In both cases, there would be a sharp reduction in the amount of tax-deferred saving that they could do, or that could be done on their behalf. More saving would be subject to double taxation, and total private saving would undoubtedly decline.

IRAs and employer-sponsored retirement plans that defer taxation of current earnings, such as 401(k) plans and traditional company pension plans, are not "loopholes". They protect a small portion of saving from double- or triple-taxation.⁶ The limits on these plans should be eased, not tightened.

Defined contribution plans.—Currently, contributions to 401(k) plans are limited to a maximum of \$8,994 (indexed for inflation). The proposal would not affect that limit. However, the law requires that plans not be "top-heavy" with contributions largely restricted to highly-paid employees. For a plan to pass this non-discrimination requirement, the average share of income contributed to a plan by the business's employees earning more than \$64,245 in 1993 (indexed) may generally not exceed that of employees earning less than \$64,245 by more than 2 percentage points.

In computing the average share of income contributed by highly-paid employees, the

total of the contributions of employees earning more than \$64,245 is divided by their total eligible annual compensation, and the total contributions of lower-paid employees is divided by their total compensation. If the lower-income employees contributed 4% of their pay to the plan, higher-income employees would be limited to contributions of 6% of their compensation, even if the resulting amounts were below the maximum dollar amount (\$8,994) that would otherwise be allowed.

The law sets a limit on the amount of an employee's income that may be counted in computing the limit for the highly-paid employees. That limit is \$245,840 in 1993 (indexed). Thus, whether an employee earns \$235,840 or \$2,000,000, no more than \$235,840 is counted in the income of the group. The reconciliation bill would reduce that limit to \$150,000. By limiting the amount of income that may be attributed to the highly-paid group, the current formula overstates its percentage contribution. Lowering the income limit would make the overstatement worse, potentially forcing a cutback in high-income-employee contributions to reduce them to the allowable percentage contribution. The employees with the highest contribution percentages in the high-income group would be cut first. The affected workers would generally not be those with the very highest compensation—above \$150,000—but rather those with compensation only a few thousand above the \$64,245 dividing line.

For example, assume the lower-income workers are contributing 4 percent of their compensation to the plan. Assume there are three upper-income employees. One earns \$70,000 and contributes \$5,250 to the plan—a contribution rate of 7.5 percent. The second earns \$150,000 and contributes the \$8,994 maximum—a rate of just under 6 percent. The third earns \$235,840 (or more) and contributes the maximum—a contribution rate considered to be 3.8 percent. Under current law, their average contribution rate is computed to be 5.1 percent, within the allowed range vis-a-vis the lower-income contributors.

However, if the limit were lowered to \$150,000, the \$235,840-plus employee would be considered to have earned only \$150,000, and be contributing 6 percent. The average for the top three workers would jump to 6.28 percent. The group's contribution would be \$1,038 over the limit, and the \$70,000 worker would have to reduce his contribution to \$4,212 (just over 6 percent) to make the plan legal again. The two highest-income employees would not have to cut back.⁷

Defined benefit plans.—The amount of deductible contributions that a business would be allowed to set aside to fund defined benefit plans would be curtailed by the reduction

in the income limit from \$235,840 to \$150,000 (both indexed for inflation). Because of a catch-22 provision in the law, businesses would be constrained in the amount of deductible contributions they could make for workers at all compensation levels early in their careers. The businesses would have to contribute much greater sums later on, raising the cost of providing retirement benefits, and creating incentives to terminate qualified plans.

Promised benefits in a defined benefit plan are generally a percent of the employee's projected pre-retirement salary. Firms that offer qualified plans are required by the Employee Retirement Security Act (ERISA) and the tax code to meet minimum funding requirements based on strict actuarial assumptions. They must estimate the future salaries of their employees, adjusted for anticipated real growth plus inflation, and begin to set aside enough money—assuming reasonable rates of return and considering employees' current incomes and ages—to pay the future benefits.

At the same time, the tax code sets maximum deductible amounts to limit deductions and current revenue loss to the Treasury. Although businesses are required to anticipate inflation in determining their future liabilities and minimum funding requirements under the plan, they are expressly forbidden to take into account future inflation adjustments of the income limits on compensation eligible to participate in the plan. The maximum deductions for 1993 are determined with respect to the current income limit—\$235,840—unadjusted for inflation. If an employee's inflated income in the year before retirement is projected to exceed the current uninflated limit, only a portion of the employee's current income—an amount that will grow over time to equal the current limit at retirement—may be used as a basis for deductible contributions.

Many employees whose incomes are now well below the current limit are affected by it nonetheless. For example, at a 5.5 percent annual growth rate (an average wage growth rate assumed in the Social Security System's Annual Trustees' Report), a 35-year old worker earning \$55,000 today would have a salary of \$259,827 by age 64, prior to retirement at age 65. This future salary would be \$23,987 above the current limit, an excess equivalent to \$5,078 in terms of today's salary. Therefore, only \$49,922 of the worker's current salary (an amount that will grow to the current limit in 29 years) could be counted in determining current pension contributions.⁸

Even though current law provides that the current limit will be raised in line with inflation in the future, and the employee's current income would not grow to exceed the future limit by age 64, the current contributions are curtailed. In future years, as the limits are raised, the company may, and must, set additional funds aside to make up for the curtailed contributions and the lost time. Unfortunately, the delay is very expensive. The sooner a business begins to set aside money to build reserves to pay an employee's future retirement benefits, the longer the funds can compound, and the cheaper it is for the firm to finance its pledged payments.

If the dollar limit is lowered to \$150,000, many more workers, at lower current salaries, would be affected. The burden would be harder on plans covering younger workers. Assume, again, that salaries grow at 5.5 percent with productivity gains and inflation. The following table shows for workers of var-

ious ages the current minimum salaries that would grow to exceed the current limit of \$235,840 and the proposed limit of \$150,000 by age 64. Deductions might be curtailed for a 25-year old worker with income as low as \$18,589 under the proposal, versus \$29,227 under current law. A 35-year old worker would need a salary of only \$31,752 to hit the limit under the proposal, compared to \$49,923 needed to hit the current limit.

By further limiting the amounts currently deductible to fund future benefits of highly-paid employees, OBRA93 would raise the business's cost of providing pensions to its personnel. According to pension experts, many businesses would find it less costly to abandon their current qualified defined benefit plans—which by law must cover most of their workers in favor of non-qualified plans limited to top executives, such as Supplemental Executive Retirement Plans (SERPs). Lower-income workers whose plans were terminated would be hurt. Higher-income workers shifted to unfunded plans would have less security. No deduction is allowed for contributions to non-qualified plans, such as SERPs. Consequently, businesses that promise benefits under such plans generally do not pre-fund them (reducing private saving), and the employees are not guaranteed payment in the event of future financial distress of the company.⁹

Minimum Income Affected by Current and Proposed Qualified Plan Income Limits¹

	Age			
	25	35	45	55
Income at which current \$235,840 limit curbs deductible contributions	\$29,227	\$49,923	\$85,275	\$145,662
Income at which proposed \$150,000 limit would curb deductible contributions	18,589	31,752	54,237	92,645

¹ Assumes 5.5-percent growth of nominal wages through age 64, retirement at age 65.

Four miscellaneous capital gains provisions to raise revenue.—OBRA93 contains four provisions purporting to prevent ordinary income from being treated as capital gains. In fact, these are miscellaneous revenue grabs, and are bad tax and economic policy. These provisions would raise the cost of saving and the cost of capital in the United States, thereby slowing the growth of investment, productivity, wages, and employment. Moreover, these provisions would raise the tax wedge between buyers and sellers in the affected financial transactions, raising transaction costs and reducing the efficiency of capital markets. Raising the cost of saving in any category of assets raises the cost of saving generally; there are no iron walls separating one kind of saving from another. All savers, including those saving for retirement via other assets, would be hurt.

Disallowance of capital gains in determining the amount of deductible investment interest expense—further restrictions on deduction of investment interest.—This provision is a backdoor tax increase on capital gains, and would worsen the tax code's bias against saving.

Under current law, investors may deduct the interest on money they borrow to purchase stock, bonds, or other property up to the amount of their investment income—whether interest, dividends, rent, or capital gains. The interest deduction reduces total taxable income, and in that sense is deductible against ordinary income subject to the 31% top tax rate even if some of the investment return is in the form of capital gains subject to a top rate of 28%. The Ways and Means and Finance Committees view this as

converting ordinary income into capital gains.¹⁰ House and Senate versions of OBRA93 would limit the interest deduction to the amount of investment income subject to ordinary tax rates; they would do so by excluding capital gains from the definition of investment income in computing the deduction limit. Any interest deduction in excess of the curtailed limit would have to be carried forward. (The taxpayer would have the option of treating some capital gains as ordinary income to take the interest deduction earlier.)

For example, suppose the taxpayer has \$10,000 in interest expenses, \$5,000 in interest income, \$5,000 in capital gains, plus \$50,000 in salary. Under current law, the taxpayer could deduct the full interest expense. Under OBRA93, the taxpayer could only deduct \$5,000 in interest expenses in the current year. He could deduct the full interest cost only if he were willing to give up the 28% tax rate on the \$5,000 capital gain.

The tax Committees' analysis in defense of this proposal is wrong. When saving is mobilized to purchase a productive asset, the asset produces income that is subject to tax. The mobilization of the saving should not be allowed to give rise to a second layer of net taxation; that would be double taxation. Therefore, the correct analysis of this problem would focus on the transaction between the borrower and the lender, not on the borrower alone, to avoid double-taxing the economic activity in which they have jointly engaged. The borrower pays interest; the lender receives interest. If the lender is taxed on the interest, the borrower should be allowed to deduct the interest against any and all income. The interest deduction of the borrower should not depend on what sort of asset the borrower used the money for, or on what form the income from the asset took.

The flap over limits on interest deductions, therefore, is just another case of the Congress looking narrowly at the borrowing taxpayer and ignoring the other side of the transaction. In the Congress's view, the ideal situation is one in which all lenders are taxed on the interest they receive, and borrowers may not deduct their interest payments. This is "Heads I win, tails you lose."¹¹

Treatment of all gains on market discount bonds as ordinary income—assault on tax-exempt bonds; double tax on savings.—Bonds are generally issued at face value and pay explicit interest on the face amount. If interest rates rise after the bond is issued, the price of the bond will fall. A new buyer will receive the higher market interest rate in the implicit form of a gradual rise in the price of the bond toward face value at maturity plus the explicit interest payment in force at the time of issue. The gradual rise in price is called accrued market discount, and is generally taxed as ordinary interest. (A rise in price in excess of the implicit interest—as would occur if interest rates subsequently fell—is considered a capital gain.)

There are two exceptions to the interest treatment of accrued market discount. Gains on bonds issued before July 18, 1984 (when current law treatment began) and gains on tax exempt bonds are treated as capital gains when the bonds are sold. (Note that this component of the interest on tax exempt bonds is not tax exempt under current law.) OBRA93 would eliminate these two exceptions, and treat any gain resulting from purchase at a market discount as ordinary income.

There is no denying that the rise in the price of a bond from a discounted level at

time of purchase toward face value at maturity is interest. However, taxing interest is part of the double tax on saving. Any reduction in the tax, including giving the grandfathered bonds capital gains treatment, is a small step in the right direction, and should not be eliminated. If anything, it should be extended to all bonds.

In the case of tax exempt bonds, interest is not supposed to be taxed. If the rise from market discount to face value is interest, as the Ways and Means Committee print admits, then there should be no tax at all on the rise if the bond is tax exempt. Far from changing the current capital gains treatment of such increases to ordinary income, the correct adjustment is to exempt such gains from tax entirely.¹²

Stripping stripped stock of capital gains treatment—worsening the double tax on saving.—“Strips” are the principal component of bonds stripped of their interest coupons (which are sold separately) and resold at an original issue discount to yield interest via price appreciation. The accruing price appreciation is treated as taxable interest for tax purposes. The practice has spread to preferred stock. The stock is stripped of its dividend rights (which are sold separately) and the stock is resold at a discount from a fixed redemption price payable at a future date. Current law treats the rise in the stock price as a capital gain. OBRA93 converts the treatment to ordinary income. In doing so, it accentuates the income tax bias against saving.

With no deduction allowed for saving, the correct “neutral” tax treatment for the interest on bonds or the dividends on stock is not to tax either one of them. However, the case for relief from multiple taxation is even greater in the case of stripped stock than in the case of stripped bonds, because of the added layer of tax on dividends under the corporate income tax. The correct solution to the stripped preferred stock problem is to stop taxing the regular dividends, or, as a second best answer, to allow the corporation a deduction for the dividends it pays out. Absent such fundamental reform, the capital gains treatment of the stripped stock is preferable to the higher tax rates on ordinary income.¹³

Denial of capital gains treatment to certain hedged positions in stocks and commodities.—The House and Senate versions of OBRA93 would tax capital gains on commodities and stocks as if they were ordinary income if the positions were hedged by means of futures contracts. The Ways and Means Committee print claims that a hedged position—in which the holder of the stock or commodity has a firm agreement to sell the asset to a buyer at a certain price at a specific future date—is “indistinguishable from loans in terms of the returns anticipated and the risks borne by the taxpayer”. The asset holder is supposedly in a position like that of a lender whose interest income is due to the “time value of money” rather than market risk, earning interest rather than profits from speculation. The contention is absurd. The rationale is based on semantics, not economics.

This distinction about the risk to a particular holder of the asset at a particular point in time is not good tax policy and completely misses the economics of the situation. The distinction between interest and capital gains has nothing to do with risk, and is not merely semantics. Interest is a flow of current income reflecting current economic output. People borrow to invest in assets that earn a return greater than the

cost of the loan. For example, they may borrow to buy a machine that earns a profit. The profit reflects the addition to GNP that the machine provides. If the profit is large enough to cover the debt service and the wear and tear on the machine, with a little left over, the investor will proceed with the transaction. The interest received by the lender in effect gives the lender credit for much of the net increase in the GNP produced by the machine.

A capital gain is the result of a change in the valuation of an asset. The gain is a pure price change, not additional GNP or national income. For example, a share of stock may rise in price today because of an increase in the company's expected future production and profits. The future production and associated wages and profits will be part of GNP when and if they occur (and will be taxed then, too). The current jump in the share price is merely the present value of the company's expected future after-tax income. The capital gain itself is not income. Counting it as income would double count the future profit, and overstate GNP. Taxing the gain would double tax the future profit.

In a hedged position, the two parties to the futures contract are engaged in activities that help the market value an asset. The seller of the contract is betting that the price of the commodity or stock is not going to exceed the contract price by the date set. The buyer of the contract is betting that it will. Neither is necessarily the ultimate user of the commodity. Any profit, interest, or dividend resulting from the use of the commodity or the operations of the company whose stock underlay the futures trade is part of GNP, and will be taxed as such by the income tax. The futures market valuation process is not part of GNP and clearly represents a capital gains situation for both parties to the futures process. It is bad economics to regard it as anything else.

In brief, the rise in the value of a hedged asset is a capital gain, period. It is not a loan; there is no borrower; there is no investment of borrowed money in an output-producing, income-generating piece of property; there is no interest paid to share the returns with the provider of the funding.

The result of the OBRA93 provision would be to pressure some individuals to use options rather than futures. Potential futures buyers, who bear the risk that the Ways and Means Committee print views as meriting a differential, would have to bid more for the contracts as a result of the higher tax on the seller, and would share the penalty. Risk would be harder to spread, the attractiveness of owning assets would be reduced, and the amount of productive capital created by the economy would be less than in the absence of this tax bias.

In fact, however, the case against the OBRA93 provision does not depend solely on the distinction between interest and capital gains. In a neutral tax system, neither interest nor the capital gains that trouble the tax Committees in the hedging situation should be taxable items. The current treatment of gains on hedged asset holdings is multiple taxation. Insofar as the gains receive somewhat diminished tax rates due to the limited capital gains differential, it is a small degree of relief from multiple taxation. That relief ought not to be ended.¹⁴

ENERGY AND OTHER ANTIGROWTH TAX PROVISIONS

In addition to provisions that directly affect saving incentives, the general anti-growth consequences of the bill would reduce GNP, national income and, consequently, na-

tional saving. The chief culprits among the general anti-growth provisions are the House Btu energy tax and the Senate transportation fuels tax and the extension in both versions of the 2.5 cent portion of the gasoline tax that is currently scheduled to expire on September 30, 1995. Tax increases on foreign source income and the proposed extension of the write-off period for structures from 31.5 years under current law to 39 years (House version) and 38 years (Senate version) are other significant anti-growth features. Insofar as these tax provisions reduce GNP, they will lose a portion of the revenue anticipated by the revenue estimators. Insofar as they reduce personal and business saving, they will not increase national saving, even if the revenues are used for deficit reduction.

CONCLUSION

Congress and the President have made a major issue of increasing U.S. capital formation, technological prowess, productivity, and high-value-added jobs. Doing so requires an increase in saving and investment.

Increasing saving and investment requires reduction or elimination of the numerous layers of multiple taxation of saving and investment in the current tax code, and a move toward a more nearly neutral, less biased tax system. Yet, at every point where an additional layer of multiple taxation is currently imposed on saving, either the House and/or the Senate version of OBRA93 worsens rather than improves on the current treatment.

OBRA93 would increase marginal tax rates by more than is apparent from a glance at the explicit tax rate changes alone. Determining the economic consequences of the rate hikes requires taking account of the drop in the after-tax returns to labor and capital services as the tax rates increase, and of the responses of the suppliers of these production services to the decrease in their rewards.

The proposed individual tax rate hikes would discourage saving, investment, employment, and hours worked to a significant degree. The various proposed energy taxes and business tax increases would increase the economic damage. The economy would be smaller and less efficient under OBRA93 than under current law. Retirement saving would be one of the major casualties of this latest budget agreement.

FOOTNOTES

¹A neutral tax code would raise revenue without distorting economic activity. The tax would do this by increasing the cost of all private sector activities equally. The income tax, because it is assessed on both income that is saved and the returns on that income, taxes saving and investment more heavily than consumption.

Suppose that, in the absence of taxes, one could buy \$100 of consumption goods or a \$100 bond paying 4% interest, or \$4 a year.

Now impose a 20% income tax. One would now have to earn \$125, and give up \$25 in tax, to have \$100 of after-tax income to consume. The cost of \$100 of consumption in terms of pre-tax income has risen 25%. To get a \$4 interest stream, after taxes, one would have to earn \$5 in interest, pre-tax. To earn \$5 in interest, one would have to buy a \$125 bond. To buy a \$125 bond, one would have to earn \$156.25 and pay \$31.25 in tax. The cost of the after-tax interest stream has gone up 56.25%, more than twice the increase in the cost of consumption.

There are two general approaches to restoring neutrality. One is to exempt returns on capital from tax. One would then have to earn \$125 to buy a \$100 bond, earning \$4 with no further tax. This is akin to the tax treatment accorded state and local bonds. The other method is to allow a deduction for income, that is saved, while taxing the returns. One would have to earn \$125 to buy a \$125 bond, earning \$5 in interest pre-tax; after paying \$1 in tax on the interest, one would have \$4 left. This is akin to the

deductible IRA, or qualified 401(k) or company pension plans.

²Claims that raising the capital gains rate will reduce the deficit and spur investment are spurious. In addition to the direct adverse effects of the rate hike on the cost of saving and investment, raising the capital gains tax rate is unlikely to raise the expected revenue, and may in fact result in less revenue rather than more. The timing of payment of a capital gains tax is largely up to the taxpayer. Owners of real property and financial instruments such as stock can avoid the payment of the capital gains tax by holding on to their assets. After the 40% hike in the maximum capital gains rate from 20% to 28% in the Tax Reform Act of 1986, capital gains realizations began to slide. Capital gains realizations were \$173 billion in 1985, before the reform. By 1991, they had fallen to \$108 billion. The higher tax rate reduced the amount of gains appearing in taxable income to such an extent that the U.S. Treasury is collecting less revenue from the tax today than it did when the rate was lower.

³Note 1 illustrated two methods of neutral tax treatment of saving. Under the "municipal bond" method, an individual's purchases of corporate stock would not be deductible, but any returns, including dividends and capital gains, would be tax free. However, in the "IRA method", purchases of stock would be deductible, giving one a zero basis in the stock, and all returns, including the full sales price, would be taxable (unless reinvested). In neither method would there be any explicit calculation of or double taxation of capital gains.

⁴A unified transfer tax is imposed on an individual's cumulative lifetime gifts and bequests. The tax is imposed at graduated rates, which brackets and marginal rates ranging from 18% to 50%. A unified tax credit of \$192,800 offsets the graduated tax on transfers of up to \$600,000. The next \$150,000 of unified transfers is taxed at 37%, with larger amounts taxed at increasing rates up to 50% the present law top rate of 50% currently applies to that portion of lifetime transfers that exceeds \$2,500,000. The "benefits" of the graduated rate structure and the unified credit are taken back by an add-on 5% tax on amounts between \$10,000,000 and \$18,340,000. Generation-skipping transfers pay a 50% tax rate.

Prior to 1993, the marginal tax rate was 53% on that portion of an estate between \$2,500,000 and \$3,000,000, and 55% on amounts over \$3,000,000. The reduction in the two top unified transfer rates to 50% in 1993 was a long-delayed implementation of a rate cut first enacted in the Economic Recovery Tax Act of 1981, which provided for gradual reduction of the top income and estate tax rates to a maximum of 50% by 1985. Subsequent tax bills aiming at deficit reduction repeatedly postponed the decrease in the top transfer tax rate.

OBRA93 would restore the previous two brackets and the higher rates, and recapture the benefits of the unified credit and any rate below 55% with a 5% add-on tax on the portion of an estate between \$10,000,000 and \$21,040,000. Generation-skipping transfers would pay a 55% tax rate.

⁵Richard E. Wager, "Federal Transfer Taxation: A Study in Social Cost," Institute for Research on the Economics of Taxation (Washington, DC) and The Center for the Study of Taxation (Costa Mesa, CA), 1993, pp. iv, vi.

⁶Ideally, all saving and investment would get either "municipal bond" treatment or IRA treatment (without the required holding period or contribution limits) as described in note 1. Current law has only limited provisions for neutral treatment of saving. These include IRAs, 401(k) plans, 403(b) plans, SEPs, and Keogh plans. These plans have a variety of severe restrictions, including limits on the level and deductibility of contributions, tax penalties or other restrictions on withdrawal before a minimum age, mandatory withdrawal before a maximum age, and, in some cases, maximum amounts that can be withdrawn tax free. Ideally, there should be no income or age limits on contributions or withdrawals.

⁷For fuller discussion and illustrations, see: Mary Rowland, "Your Own Account: Watch the Clinton Pension Bill", *The New York Times*, June 20, 1993; Section C, p. 17.

⁸For a fuller discussion and illustration, see: Mary Rowland, "Your Own Account: A Death Knell for Some Pensions? The Clinton Proposals Pose a Threat to Baby Boomer Benefits," *The New York Times*, June 27, 1993, Section F, p. 15.

⁹For a fuller discussion see text and comments of Sylvester Scheiber, Wyatt Company, and Russell E. Hall, Towers Perrin benefits consultants, in: Mary Rowland, 6/27/93, *op. cit.*

¹⁰See, for example, House Ways and Means Committee Print 103-11, "Fiscal Year 1994 Budget Reconciliation Recommendations of the Committee on Ways and Means", May 19, 1993, Section 199.

¹¹For a more detailed discussion, see "IRET Congressional Advisory" No. 19, June 3, 1993.

¹²For a more detailed discussion, see "IRET Congressional Advisory" No. 17, June 3, 1993.

¹³For a more detailed discussion, see "IRET Congressional Advisory" No. 18, June 3, 1993.

¹⁴For a more detailed discussion, see "IRET Congressional Advisory" No. 16, June 3, 1993.

Note.—Nothing here is to be construed as necessarily reflecting the views of IRET or as an attempt to aid or hinder the passage of any bill before the Congress.

[From the New York Times, June 20, 1993]

WATCH THE CLINTON PENSION BILL

(By Mary Rowland)

Buried in President Clinton's tax plan, which has passed the House and is working its way through the Senate, is a measure that could affect the funding and security of retirement accounts for hundreds of thousands of Americans.

Little attention has been given to this provision because it is viewed as a change that would affect "fat cats" only. The proposal would reduce the amount of annual compensation that can be considered for calculating retirement benefits to \$150,000—compared to the current limit of \$235,840.

But it's not just fat cats who would feel the pinch. "This is a good example of how a policy can be construed to affect one group of people—namely the highly paid—but in fact it has a very great effect on people in lower-income categories, often a much greater effect than it does on the highly paid," said Sylvester J. Schieber, who is in charge of research and information at the Wyatt Company, benefits consultants in Washington.

For example, people earning much less than \$150,000 may be forced to cut back their 401(k) contributions. "The most serious impact of this change is on the 401(k) side," said Yale D. Tauber, managing director at William M. Mercer Inc., New York-based benefits consultants.

The new provision is expected to have a more impact on the contributions of people who make slightly more than \$64,245 than it will on those whose salaries exceed \$150,000.

Although the legal limit on employee contributions to 401(k) plans is \$8,994 for 1993, few employees in the \$64,000 to \$90,000 salary range are allowed by their companies to contribute that much. That's because the Government bans employers from giving a far greater percentage of benefits to higher-paid workers than to those who are lower-paid. To comply, companies must apply a non-discrimination test to their 401(k) plans.

Here's how the test works: Contributions made by employees earning less than \$64,245 in 1993—the number is indexed—are tossed into a pool to determine the average percentage of their salaries contributed. Then the average salary contribution is calculated for people who earn more than \$64,245.

The spread between the two groups is regulated. In most cases, it is limited to 2 percentage points. If the lower-paid group contributes 4 percent of salary, on average, the higher-paid group can contribute no more than 6 percent, on average.

Suppose a company discovers that its highly paid group is contributing an average of 7 percent and its lower-paid group only 4 percent. It must then return some money—which is then taxable income—to the higher-paid group.

The company returns the money to those who contribute the highest percentage of pay

rather than those who contribute the most dollars. "You look at the highly paid group and go to the highest contributor on a percentage basis and return some of that employee's money," said Frank Roque, a partner at Hewitt Associates, benefits consultants based in Lincolnshire, Ill.

In the example, an employee who makes \$150,000 and is contributing the full \$8,994, or just under 6 percent, would not be affected. But an employee earning \$70,000 and contributing \$7,000, which is 10 percent of his or her salary, would be cut back. The proposed legislation would magnify the problem.

Under current law, compensation up to \$235,840 can be considered for nondiscrimination testing purposes. At that salary level, the maximum contribution of \$8,994 is just 3.8 percent of pay. That means that people at the lower end of the highly paid group can contribute more than 6 percent and still maintain a 6 percent average.

Under the proposed law, no matter how much an employee makes, only \$150,000 of his or her salary will be considered for the purposes of the nondiscrimination test. Assuming highly paid executives contribute the maximum, the contribution becomes 6 percent rather than 3.8 percent of salary for test purposes. If the high-paid group's overall contribution is limited to 6 percent, the people at the lower end of the group could no longer contribute 10 percent without skewing the group.

"The guy who is earning \$250,000 will contribute exactly the same amount next year as he did this year," Mr. Schieber said. "He is constrained by the \$8,994 limit. It is the people right above the \$64,000 salary range who will see their contribution go down."

There is a simple way to fix this part of the legislation. "If they're trying to get the heavy hitters in the 401(k) plans, they're not doing it," Mr. Roque said. "But it's a simple fix. They could just cut back on the contributions of those at the highest salary levels first rather than those who contribute the highest percentage of pay."

Legislation that would limit salary for benefits calculations at \$150,000 a year would probably affect 401(k) contributions for employees at much lower salaries. In this example, regulations limit the average contribution to 6.6% of salary while individual contributions are limited to \$8,994 (the 1993 maximum).

Employee's salary	Currently		With proposed change	
	401(k) contribution	Percentage of pay	401(k) contribution	Adjusted percentage
\$200,000	\$8,994	4.5	\$8,994	6.0
\$150,000	8,994	6.0	8,994	6.0
\$100,000	6,000	6.0	6,000	6.0
\$70,000	7,000	10.0	6,020	8.6
Average		6.6		6.6

¹Percentage based on \$150,000 salary cap.

Source: Hewitt Associates.

COMPANIES MAY JUST SAY "NO"

A number of consulting firms have looked at the new piece of pension legislation and wondered whether they should attempt to head it off. But most have decided that this is not the right political climate to be viewed as a friend of the rich.

One consultant who has argued against the legislation is Bruce J. Temkin, a consulting actuary at Louis Kravitz & Associates Inc., a benefits consulting firm based in Encino, Calif. As Mr. Temkin, whose speciality is pension plans for small businesses, describes it, lawmakers say, "Are you telling us that people who make over \$150,000 can't manage to save money on their own?"

Like many other consultants, Mr. Temkin believes the legislation, which would reduce the compensation that can be considered for retirement benefits, is a "done deal" and will have long-term effects, encouraging companies to simply get out of pension plans.

"The Government thinks it's getting Mr. Big," said Jerry Y. Carnegie, a partner in the Rowayton, Conn., office of Hewitt Associates. "But Mr. Big just might say, 'Let's get out of this business altogether.'"

[From the New York Times, June 27, 1993]

A DEATH KNELL FOR SOME PENSIONS?

(By Mary Rowland)

Sylvester J. Schieber, who has watched pension law changes from several vantage points over the past 15 years, frets about the future of pensions and the retirement security of the baby boom generation.

A provision of the Clinton tax package that is aimed at reducing pension benefits for the highly paid could nudge companies to drop their traditional pension plans, Mr. Schieber says. The number of these plans, called defined-benefit plans, which pay a specified monthly benefit at retirement, has been declining for the last decade. More rapid shrinkage, he says, would have dire consequences for people at all pay levels.

"Over the past 12 years we have disenfranchised executives from participating in the pension plan," Mr. Schieber said. "To the extent that executives cannot participate, they will reduce the plans for everyone else."

Many experts agree with Mr. Schieber, who was deputy director of policy analysis for the Social Security Administration and then research director at the Employee Benefits Research Institute, a nonprofit group, before becoming director at the Wyatt Company, an employee benefits firm based in Washington.

The Clinton provision, which has passed the House and is expected to become part of any final tax bill, is misguided, the experts said. "This is an example of good pension policy sacrificed on the altar of revenue needs," said Henry Saveth, an attorney in the New York office of Foster Higgins, benefits consultants. "Employers are already straining under the administrative and legal burdens of maintaining defined-benefit plans. This gives them another incentive to just give them up."

The provision applies to money that can be set aside in "qualified plans," which are so named because the employer qualifies for a tax deduction for its contributions. The two basic types of qualified plans are the traditional defined-benefit plans, such as the company pension plan, and defined-contribution plans, including the 401(k)—both of which are actually funded. The Clinton proposal would reduce the amount of annual compensation that can be considered for inclusion in these plans to \$150,000 from \$235,840.

The change would have several ripple effects. First, many companies would likely move to help key executives by setting up a "nonqualified plan." These supplemental executive retirement plans, or SERPs, are generally not funded. They represent only the company's promise to pay at retirement. If the company falls on hard times, it can renege on its promise. The money can also be seized by corporate creditors.

"According to our data, SERP participants will double in some plans and triple for others," said Russell E. Hall, a principal at Towers Perrin, benefits consultants based in Valhalla, N.Y. "There will be more and more benefits coming from these unfunded plans,"

Some employees earning more than \$150,000 will not even get this promise. In order to participate in a nonqualified plan known as a "top hat plan," which is designed for employees who earn too much to be covered fully by the qualified plan, an employee must be a corporate star.

Earning more than \$150,000 a year is not adequate. "You have to be sophisticated enough and have enough leverage with your company so that you do not need the protection of the Labor Department," said Yale D. Tauber, a managing director at William M. Mercer Inc., benefits consultants based in New York. "Someone on Wall Street pulling in \$150,000 is clearly not in the position to be in a top hat plan."

Consultants say employees like the \$150,000 Wall Street worker will simply get smaller pensions. For example, an employee earning \$180,000 at retirement after a full career at a company might expect a \$90,000 pension—50 percent of final pay. But he or she might get just \$75,000 because of the change, Mr. Tauber said.

Owners and employees of small businesses may be affected more severely. Their contributions for employees might double under the new rules, said Bruce J. Temkin, an actuary and small-business pension specialist at Louis Karvitz & Associates in Encino, Calif. That is just what the Administration would like to happen.

But Mr. Temkin and other consultants are advising business owners who earn more than \$150,000 to re-examine their plans with an eye toward revising them or dumping them if they no longer make economic sense.

The new provision "is very consistent with the Administration's philosophy that we should not help people who make over \$150,000," Mr. Temkin said. "But they are likely to do a lot of damage to employees of small businesses because these companies will let go of their plans altogether."

HOW THE ACTUARIES FIGURE IT

One problem with the new pension proposal is that it would delay the funding of pensions for people at mid-career earning salaries of \$35,000 to \$50,000. For many of them, a pension delayed could prove to be a pension denied.

A company sets aside funds for pension benefits throughout an employee's career because it costs less in the early years. But the Clinton proposal includes a \$150,000 salary cap for pension purposes, meaning that pensions for the baby boom generation could not be entirely funded in the early years.

To determine how to fund a retirement benefit for a benefit for a 35-year-old earning \$35,000 a year, an actuary projects the employee's salary at retirement. Assuming the 5.5 percent annual wage growth used by the Social Security Administration in estimating its benefits, this person would earn \$165,342 at age 65.

But only \$150,000 could be considered for pension benefits under the proposal. The actuary would then take the difference between \$165,342 and \$150,000 and discount it back to today's salary.

For the 35-year-old, \$3,200 of his \$35,000 salary could not be considered for funding a pension, according to Sylvester Schieber of the Wyatt Company. If the employee earned \$45,000, \$13,000 could not be considered. At \$55,000, \$23,000 could not be considered for funding purposes. "So you fairly quickly get to the point where the majority of income can't be considered for purposes of funding his pension benefit," Mr. Schieber said.

The \$150,000 number would be indexed, allowing employers to increase contributions

in later years. But the longer the employer waits to fund the pension, the more expensive it will be. Mr. Schieber believes many companies will not be able to make up the shortfall. "I believe employers will freeze these plans and walk away from them in the long term," Mr. Schieber said.

Mr. CRAIG. Now, for the remainder of my time, I would like to become a little bit technical to deal with the issue before us as it relates to this particular President's tax package and the impact it has on the ability of the private person to contribute to his or her retirement.

I think all of us understand the kind of impact we are talking about when we discourage the kind of investment that is so darn important to the average person. Maximum income base under current law is \$235,840 a year, indexed. Both the Senate and the House reconciliation bills are going to drop that index level to \$150,000. In other words, this is our rendition of how you soak the rich when they attempt to accumulate through their own pension plans and how the private pension and the private pensioners' employers can contribute into that plan. Current law is already too confusing and too counterproductive to have a lot of people identify with a pension plan. The House and the Senate and the President are going to cause it to be even more confusing.

Here is the first whammy in the whole process. For a 25-year-old employee today, we must discount the \$150,000 based backwards by 39 years to today. The Social Security Administration and other pension planners currently use a 5.5 percent factor. What in the heck am I talking about? What I am saying is that, today, for a 25-year-old employee, the resulting maximum earning would be only \$18,589 a year instead of the \$29,227 current base. He is going to be penalized from putting into a pension plan if he is above that level. Guess what. That is the level for a husband or a wife, the breadwinner of a family of four. That level is slightly above the poverty level, Mr. President. Is that soaking the rich? That wage earner out there who is working for his or her employer today at \$18,589 a year is not going to put a pension plan together because of the phenomenal complication that this President is demanding, in this mystic way, that he is going to soak the rich. I have never met anyone in today's society making \$18,000 a year who describes himself as being rich, and yet this President in his definition is saying just that.

Here is the second whammy. Lowering the maximum earning base will jeopardize future pension contributions for today's young workers. Employers will be forced to minimize what they can contribute to defined pension plans for young workers. But because these plans also must be fully funded, reducing early contributions will require rapid escalation of contributions in the

later years. So, in other words, they are going to start sticking it to the other side.

Well, that is the bottom line, Mr. President. How you get to the average taxpayers of this country is you confuse the heck out of them, you change the game plan, and to the young worker today who wants to put something aside for his retirement you are saying do not do it. If you make over \$18,000 a year, we are going to make it so darn complicated that you will not contribute and neither will your employer.

Mr. President, that is not soaking the rich. That is soaking the working poor.

Get the message, Bill Clinton?

The PRESIDING OFFICER (Mr. DORGAN). The time of the Senator has expired.

The Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank the Senator from Idaho.

There are a couple of mean-spirited things in this tax bill. Before the Senator leaves, I would note that one of the constant complaints by Republicans and Democrats alike is that Americans do not save enough.

The Senator from Idaho has quite correctly pointed out one example of how a class of Americans are co-opted from saving. We make savings so impossible, so economically unattractive that people are unwilling and unable to do it, and then we complain that we have the lowest savings rate in the world.

Mr. President, that is exactly what President Clinton's plan is doing. Even worse, the administration has finally found the one way to keep Americans from exhibiting a human response to avoid new taxes, as the President and his wife have done. Guess how. The tax bill before us would retroactively increase inheritance taxes, and the dead cannot change their behavior. They finally found a way to pin down some Americans so that they cannot respond.

Another thing the administration has done to dissuade savings is to lower the threshold at which the maximum tax rate on income for trusts and estates will be triggered to \$5,500. Mr. President, that is absolutely venal in its assault on the savings ethic in America. If you have put together a little trust fund, hopefully, so that a child or two may go to college, Mr. President, a maximum tax rate that triggers taxes at \$5,500 says, "Do not save; it is not worth it." That is not even a year's worth of fees for college.

Mr. CRAIG. Mr. President, will the Senator yield?

Mr. WALLOP. I yield for a question.

Mr. CRAIG. Mr. President, last week I had a young group out here on the Capitol steps from Idaho. A young lady asked a question. She comes from a middle-income family in the State. She said, "Now we are providing programs

for the poor and minority groups to get to college. What about me?"

What you have just said is that we basically said to her parents, "You cannot afford to save for her to go to college because we will penalize you by taxing it even more."

I find it impossible to understand how the President can talk about deficit reduction in a vital economy if he is going to propose a tax plan that erases the basis of any stable economy, and that is a basis of wealth provided through savings. That is what the Senator from Wyoming has just said.

Mr. WALLOP. The Senator from Wyoming has said just precisely that. The President and our friends on the left-hand side of the political spectrum have so much class envy in their behavior that they have now decided that an estate yielding a mere \$5,500 in taxable income that would otherwise be set aside for education, will now be taxed at the maximum rate as though that estate was generating \$40,000 in income.

It says to Americans: "Don't save. The Government doesn't want you to save. And if you do, we will penalize you for doing so." It is a shame, but it is the truth.

Mr. CRAIG. If my colleague will continue to yield, what I just said in my presentation is that in that area that is very complicated today—and that is the area of private pensions and the 401 K's and all those combinations—we even say now to a person making \$18,500 a year, "We are going to make it all the more difficult for you. We are going to complicate it so you will not do it."

That is a form of savings, because that money goes out into the economy to make more money to invest, and by job creation, through a reservoir of wealth that this country ultimately accumulates through that kind of approach. That is now going to be made more difficult so that the working poor, who might try to put a little away, will walk away.

Mr. WALLOP. The Senator is correct. It is one of the tragedies.

But one of the purposes of this special order is to try to get out the word.

Earlier this morning, some of my colleagues from the left tried to argue that few, if any, small businesses were going to be impacted by the higher marginal tax rates. They referred to an article in yesterday's Wall Street Journal. What they conveniently forgot to discuss was the last portion of the article. It is so easy to demagog if you want to stick it to the middle-class and small businesses.

But what they forgot was this part of it:

Of course, the most prosperous businesses are likely to be the ones that employ the most people. Raising their taxes and thereby reducing their cash flow isn't likely to encourage them to hire new employees or buy more equipment.

They conveniently overlooked the whole economic nature of this argument in their pursuit of envy and the politics of the rich. People who profited unfairly from the 1980's, who worked and provided jobs and saved money, they are no longer good Americans. They are the Americans which we have set out to punish for having been successful, for having provided jobs, and for having had the courage to invest at a time when others perhaps did not.

Mr. President, I yield the remainder of the time to the Senator from Oklahoma.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Chair would advise the Senator from Oklahoma that there are 3 minutes remaining.

The Chair recognizes the Senator from Oklahoma for 3 minutes.

Mr. NICKLES. Mr. President, I ask unanimous consent to proceed up to 10 minutes.

The PRESIDING OFFICER. Is there objection?

The Senator is recognized for 10 minutes.

THE CLINTON TAX PACKAGE

Mr. NICKLES. Mr. President, I wish to compliment my colleague, Senator WALLOP, and also Senator CRAIG and others who have spoken this morning on the so-called Clinton tax package, or President Clinton's tax package that is now being debated in conference committee, and also in reference to some of the statements that were made earlier today that this package is not a bad package for small business. Individuals that make that statement, I think, are not very familiar with small business.

I happen to have owned and operated a small business, one very small and one a little larger. I think this tax package that we now see coming before us is hitting small business, particularly successful small business, right between the eyes.

And I wish to comment, too, in regards to the Wall Street Journal article that said the 90 percent of the small businesses would not even be impacted. I might mention those small businesses that are very successful are probably responsible for about 70 to 90 percent of all new jobs created in this country. And that is given by David Burch from MIT.

So the point is that this tax bill that we have now pending increases taxes on successful entrepreneurs up to a marginal rate of 44.5 percent, compared to a marginal rate for corporations of 34 percent. That is hardly equitable.

We are telling people who are really successful, who are entrepreneurs and subchapter S corporations that they are going to be paying a higher tax rate than anybody.

I might mention that is before they pay State income tax. So you can easily see how marginal rates are in excess of 50 percent.

I can tell you from personal experience that, once marginal rates got over 40 percent, there is a real reluctance to build and expand and grow. I learned that when I had a janitor's service, going through college. My marginal rate was about 40 percent. Frankly, that just took away any initiative to work harder, to build more, to employ more people.

I remember what my accountant said. I did quarterly estimated tax payments. By the time you paid your Federal income tax and you paid your self-employment tax and paid State income tax, he said, "Congratulations. You are in the 40-some percent tax bracket."

That little business that was growing rather significantly quit growing because I did not want to have to work for the Government more than I worked for myself—too many hours, too many headaches.

And so when I heard my colleagues speaking this morning about how great a package this is for small business, I would just say it is not the case. As a matter fact, I think this administration and their policies have been a disaster on small business.

I still have some involvement in a business in Oklahoma. It just so happens that we are putting new regulations on those businesses every single day. My brother is involved in that company. He commented on the fact that Congress just passed a new piece of legislation called the Family Medical Leave Act. Its effective date is August 5.

Now most businesses may think that they comply with this bill. But I will tell you right now, they do not. If they do not know it, they need to look at the Federal Register, dated June 4. That gives the rules and regulations on how to implement the so-called Family Medical Leave Act of 1993. There are 45 pages of the family leave bill which is now mandated for every business in America that has over 50 employees. There are a lot of businesses that fall into this category.

So already this year we have hit businesses with new regulations. This is the Federal Register of June 4, if they need to find out what those regulations are to find out how to comply.

Their income tax rates are increasing significantly. If they have a tax on business income of \$275,000, the rates go up to 44.5 percent compared to 34 percent for corporate rates. Then we have some other things that are coming down the pike that they are also very leery of.

There is a little health care plan that is being kicked around. Almost everything we read and hear, this health care plan is going to be mandated to employers, small employers, as well as large employers. So, again, I hope my colleagues are aware of that.

There is a Washington Post article, dated May 13, "Under Clinton Health Care Plan, All Employers Would Pay."

No surprise. We have heard this quite a bit. But we are going to mandate health care on all those small businesses in North Dakota and Oklahoma and elsewhere.

My point is, this administration has done a lot of things that are very counter to the success and, in many cases, to the survival of small business.

There is also another little bill that is floating around that I am sure will be on the floor one of these days, and that is a bill that would prohibit employers from hiring replacement workers during strikes. Again, maybe this is the Government coming in again and saying, "Small business, we are going to help, but even if you have a strike, you cannot hire permanent replacement workers to keep the doors open. So if you can't keep the doors open, we are sorry."

I just mentioned three pieces of legislation that can mean the death of small business—mandatory parental leave, mandates on a health care plan, you cannot hire replacement workers during a strike; and then a tax bill that hits the really successful small business people, the small entrepreneurs, sole proprietors, subchapter S corporations, hits them very, very hard, hits them with an increase in marginal rates.

Listen to this—I hope my colleagues realize this. For the really successful entrepreneur, we are increasing their marginal rates by about 42 percent because we are taking the rate from 31 percent to 44.5 percent. That is a tremendous increase.

That is not just soaking the rich. That is shooting them between the eyes. That is going to put people out of work.

For people to stand on the floor of the Senate and say this does not hurt small business—it does.

There are a lot of small businesses that are taxed as individuals that have income above \$140,000 or above \$200,000. And those are the people that are hiring people. Seventy or 80, maybe 90 percent of the new jobs created were in this category, they were in the successful small business.

And we are going to cost jobs.

Then to say—and I heard President Clinton say this last night on Larry King. He said, "Well, we really don't hurt the middle-income people. We do not touch them."

That is, frankly, not the case. The facts are there is a gasoline tax that is in the Senate bill. He said, "Well, that's only \$1 a week." In my family it is a whole lot more than \$1 a week. I have a 21-year-old daughter, I have a 17-year-old daughter, my wife, and I. Altogether that is four drivers in our family. That is a lot more than a \$50 tax increase for our family, and I am sure it is for a lot of families that live out in the rural areas. But he did not mention there is a big tax increase on

Social Security recipients who have income above \$32,000. That is middle income.

Then he said people who make less than \$30,000 are held harmless. That is not the case, because many of those people are not going to receive earned income tax credit. That is flat not the case. Many of those people are not going to receive increases in food stamps to cushion the blow on the regressive nature of the gasoline taxes. So I can think of lots of people who make less than \$30,000, including my daughter who makes \$4.75 an hour to pay for gasoline in her car and maintenance and so forth. She is not going to get earned income tax credits. So it is going to cost her. It is going to cost a lot of people.

My father-in-law, who is retired, who has Social Security and has other income in the \$30,000-some range, get to pay another \$100 a month in Social Security taxes. President Clinton evidently forgot about him last night. But there is a big tax on Social Security recipients that is in this package.

Stick it to the wealthy, he says. But is going to put people out of work. He says he is a friend of small business, but we are going to mandate parental leave, we are going to mandate health care.

There is a report done by the Heritage Foundation that says if a new payroll tax were to fund the Clinton program only for all workers and their dependents, the payroll tax would have to be set at 9.48 percent. A new payroll tax of almost 9.5 percent on all employers, small and large? Congratulations, small business people. This administration is your friend. I read that in his book, "Putting People First." But, frankly, we are putting small business last. Successful small business people are going to pay the highest marginal rates of anyone.

So, my point is this tax bill and this tax conference leaves a lot to be desired. I think it is a prescription, not for deficit reduction, it is a prescription, frankly, to put people out of work.

Then I would like to comment finally on the components of this package because, again, I have heard President Clinton last night who said it is a \$500 billion deficit-reduction package. He also said he expects his spending cuts would exceed the tax increases. Frankly, this is not the case. Neither is the case. It is not a \$500 billion deficit-reduction package. He is taking credit for \$44 billion that is already in present law. That was part of the 1990 budget package. How can you take credit for something that is already part of law? That is \$44 billion. He takes credit for interest savings, and that is not anything that is done in this bill. That is a wish.

If we look, he takes credit for spending reductions in appropriations bills,

two-thirds of which do not happen until after the next Presidential election. I might mention most of that is in defense, and many of us think he is cutting defense far too much and too fast. But the net result is you are looking at tax increases that are not 1 to 1, or spending cuts as large as the tax increases. If you call tax increases and

user fees tax increases, which they are, and you eliminate the interest savings, you realize that the total ratio of tax increases versus spending cuts is \$2.82 in tax increases for every \$1 of spending cuts.

Mr. President, I yield the floor and ask unanimous consent to have this table printed in the RECORD, which will

show the amount of savings from appropriations, from reconciliation, from user fees, and revenues, so individuals can find out the bulk of this package is clearly a tax increase and not a spending cut.

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

HOUSE BUDGET PACKAGE RATIOS

[House-passed bill, in billions of dollars]

	1994	1995	1996	1997	1998	1994-98
Spending reductions:						
Appropriations	-0.3	0.9	-7.5	-22.4	-37.3	-66.6
Reconciliation	-1.8	-4.8	-9.3	-14.3	-16.9	-47.0
Other ¹	3.2	1.4	1.7	2.1	2.3	10.7
Subtotal	1.1	-2.5	-15.1	-34.6	-51.9	-102.9
User fees	2.2	2.4	3.7	3.1	3.2	14.6
Revenue increases	32.7	41.6	54.8	73.8	72.6	275.5
Subtotal	34.9	44.0	58.4	76.8	75.9	290.1
Debt management	-5	-1.0	-1.3	-1.6	-2.0	-6.4
Debt service	-1.1	-3.6	-7.5	-13.8	-22.1	-48.1
Subtotal	-1.6	-4.6	-8.8	-15.4	-24.1	-54.5
Grand Total	-35.4	-51.1	-82.4	-126.8	-151.8	-447.5
Ratio of taxes and user fees to spending reductions	NA	\$17.66 to \$1	\$3.86 to \$1	\$2.22 to \$1	\$1.46 to \$1	\$2.82 to \$1

¹ Assumes \$9.2 billion in intragovernmental offsets from the Federal pay freeze in the House-passed bill, and \$2.3 billion associated with the enactment of extended unemployment benefits.
Note.—Based on CBO/JCT estimates.

The PRESIDING OFFICER. The Senator from Oklahoma yields the floor. Under the previous order the Senator from South Carolina is recognized for up to 20 minutes. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

THE PRESIDENT'S BUDGET

Mr. HOLLINGS. Mr. President, responding to the comments made by my distinguished colleague from Oklahoma, there has been a constant babble—and I say again “babble”—about an alleged 2-for-1 or 3-for-1 ratio of tax increases to spending cuts in the President's deficit-reduction plan. The Senator from Oregon, the ranking member of the Finance Committee and former chairman of the Finance Committee, Senator PACKWOOD, said there is \$3.50 in taxes for every \$1 in spending cuts. Others say \$2.82 in taxes for every \$1 in cuts. This is a crude distortion of the facts. I want to give the exact figure, which is that there is less than \$1 in taxes for each \$1 in spending cuts.

In the current 1993 budget, discretionary spending—namely, defense, domestic and international affairs, totals \$548 billion. In President Clinton's proposed 1994 budget, total discretionary spending is reduced to \$538 billion; that amounts to an absolute reduction of \$10 billion in discretionary spending.

President Clinton is being accused of tax and spend, but in fact the gentleman from Arkansas has not had a chance to spend. He just got to town. The small exception is the modest supplemental bill, most of which was financed through offsets. There was \$1 billion in that bill for defense and

peacekeeping that was not offset. But most of it was, of course, offset.

So the distinguished President of the United States has not had any opportunity to spend. He just got to town. But he has had the fortitude, please-by-gracious, to tackle this deficit head on. He has offered a historic plan. But this crowd on the other side of the aisle want to distract us with nonsense: “What Hillary Clinton's pay schedule is on her income tax and how much the President's BVD's are worth.”

That is what drew me to the floor. The Senator from Wyoming was talking about President Clinton's shorts and T-shirts. And then I had to listen to this distorted babble about a 2-for-1 ratio and \$2.82 in taxes to each \$1 in cuts.

Here is the budget. Its deficit reduction is accomplished through all kinds of spending cuts and freezes. The opposition cries, “Cut first, cut-cut, tax and spend.” I want to tell you who has been spending. The Republicans are howling because they know we have cut spending. Defense, domestic, international affairs in 1993: \$548 billion; in President Clinton's budget, 1994: \$538 billion.

So what did President Clinton do? He came to town and he said, “Look, I am going to cut my own White House staff 25 percent.” He said, “I am going to cut out 100,000 Federal employees.” Cut spending first? He has been the first one to cut.

They do not like a President who cuts the deficit. They have had two Presidents for 12 years whose solemn oath was to increase the deficit and debt, and they succeeded.

But President Clinton said first, when he came to town, “I will cut the White House. We will cut 100,000 em-

ployees. We will cut your pay, Mr. President, and cut my pay, and all Federal pay. There is going to be a freeze. We are going to cut the congressional staffs.” I had to cut staff in the Commerce, Space, Science, Transportation Committee by 10 percent.

Next, the President put the Vice President in charge of auditing all the executive departments to see where he can root out waste. And he put his brilliant wife, Ms. Hillary Rodham Clinton, in charge of cutting health costs.

This administration has been working now for 6 months on cutting spending first. So the Senators from Washington, Oklahoma, and Wyoming are Johnny come lately's when they cry “Cut spending first.” And the Senator from Oklahoma is flat wrong in claiming that this plan has \$2.82 in taxes for each \$1 in cuts, nonsense.

In truth the President's plan actually has more spending cuts than new taxes. I am going to give you the exact figures. The President cuts spending first, and those cuts are as follows: Entitlements, \$97 billion in cuts; discretionary, \$102 billion in cuts; interest costs, \$56 billion in cuts; for a total of \$255 billion in spending cuts.

The new revenues total \$243 billion. So my friends on the other side can run around with their bogus claims, they can babble on about the President's shorts and the First Lady's taxes or whatever, but they ought to be ashamed of themselves, trotting out here for an hour every week, trying to divert the public's attention, but offering no constructive, detailed recommendation whatsoever.

I sat in that Budget Committee, and all the opposition did was play games.

When they got to the Budget Committee, they said, "The President is cutting everybody's pay. We can't have that." So they voted for amendments to increase the pay. Later, they came to the floor with the Dole-Domenici plan, which included all the cuts proposed by the Democrats. It was Democrats who cut spending first. The Republicans simply took the Democratic cuts in their Dole-Domenici plan.

So they are just playing a sordid game of hollow amendments, bogus alternatives, and nothing constructive. They took our cuts, and added to them a 5-year freeze—never mind the flood in the Midwest—costing \$8 billion, \$9 billion; and never mind practical considerations such as paying for an expansion of prisons and law enforcement.

I am wrestling now with an appropriations bill trying to find an additional \$130 million for immigration, Border Patrol, to get on top of that; for internal security so terrorists will not be blowing up the World Trade Center and other landmarks; for Somalia, for Bosnia, for all the peacekeeping operations that have gone up to a billion bucks.

So they preached grandly: "We are going to have a 5-year freeze." It was just fabricated out of the whole cloth. Nothing in the Finance Committee, no motion, just, by gosh, a full-court press on TV on the floor of the U.S. Senate hollering "cut spending first" and just a babble of tax, tax, tax.

All right, if they want to talk taxes, let us talk about their taxes. They do not want to talk about really reducing the deficit and the debt. They want to talk about taxes. Let us talk about their tax of \$1 billion a day. That is what we have to go down and borrow everyday, \$1 billion to pay interest costs on the national debt. When the Republicans came to town in 1981, annual interest costs were \$52 billion. Today, annual interest is \$310 billion. So every weekday and Saturday we go down to the bank at 8 o'clock and increase taxes by \$1 billion, and therein, Mr. President, is the real problem that very few in the land have realized because we have failed to educate the American people.

There was a little program that my kids listened to early every Saturday morning, "Big John and Sparky." It used to repeat this rhyme: "All the way through life, let this be your goal: Keep your eye on the donut, not the hole." The donut in this case is the \$1 billion-per-day interest costs or the interest "taxes." You can pay Social Security taxes and you get Social Security benefits. You can pay gasoline taxes and you can get highways and bridges. But pay \$1 billion-per-day interest "taxes" and you get absolutely nothing.

The Republican crowd that was going to do away with waste instituted the biggest scandal of waste in the history

of man. And responsibility for this scandal is now admitted to by the very architect of the Reagan economic plan, David Stockman. Writing in *New Perspective* magazine, none other than David Stockman, the Director of the Office of Management and Budget for President Ronald Reagan, clearly lays the blame in the Republicans' lap. I ask unanimous consent to print the article in the RECORD.

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

[From *New Perspective*, Spring 1993]

AMERICA IS NOT OVERSPENDING

(David A. Stockman, Director of the Office of Management and Budget from 1981 to 1985, during the first years of the "Reagan Revolution.") David Stockman left office amid the lingering controversy caused by his revelation in the *Atlantic* magazine about the internal Administration politics which, Stockman said, would result in untenable deficits.

(Stockman's memoirs of those years are entitled "A Triumph of Politics: How the Reagan Revolution Failed." He is currently a General Partner at the Blackstone Group, a New York investment house.)

President Clinton's economic plan deserves heavy-duty criticism—particularly the \$190 billion worth of new boondoggles through FY 1998 that are euphemistically labeled "stimulus" and "investment" programs. But on one thing he has told the unvarnished truth. There is no way out of the elephantine budget deficits which have plagued the nation since 1981 without major tax increases.

In this regard, the full-throated anti-tax war cries emanating from the GPO since February 17 amount to no more than deceptive gibberish. Indeed, if Congressman Newt Gingrich and his playmates had the parental supervision they deserve, they would be sent to the nearest corner wherein they lodge their Pinocchio-sized noses until this adult task of raising taxes is finished.

The fact is, we have no other viable choice. According to the Congressional Budget Office (CBO) forecast, by FY 1998 we will have practical full employment and, also, nearly a \$400 billion budget deficit if nothing is done. The projected red ink would amount to five percent of GNP, and would mean continuing Treasury absorption of most of our meager net national savings through the end of the century. This is hardly a formula for sustaining a competitive and growing economy.

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax-cutting that shattered the nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of anti-tax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

It ought to be obvious by now that we can't grow our way out. If we should happen to realize CBO's economic forecast by 1998, wouldn't a nearly \$400 billion deficit in a full employment economy 17 years after the event finally constitute the smoking gun?

To be sure, a version to higher taxes is usually a necessary, healthy impulse in a political democracy. But when the alternative becomes as self-evidently threadbare and groundless as has the "growth" argument, we are no longer dealing with legitimate skepticism but with what amounts to a demagogic fetish.

Unfortunately, as a matter of hard-core political realism, the ritualized spending cut mantra of the GPO anti-taxers is equally vapid. Again, the historical facts are overwhelming.

Ronald Reagan's original across-the-board income tax cut would have permanently reduced the federal revenue base by three percent of GNP. At a time when defense spending was being rapidly pumped up, and in a context in which the then "conservative" congressional majority had already decided to leave 90 percent of domestic spending untouched, the Reagan tax rate cut along would have strained the nation's fiscal equation beyond the breaking point. But no one blew the whistle. Instead, both parties succumbed to a shameless tax-bidding war that ended up doubling the tax cut to six percent of GNP—or slashing by nearly one-third the permanent revenue base of the United States government.

While delayed effective dates and phase-ins postponed the full day of reckoning until the late 1980s, there is no gainsaying the fiscal carnage. As of August, 1981, Uncle Sam had been left to finance a 1980s-sized domestic welfare and state and defense build-up from a general revenue base that was now smaller relative to GNP than at any time since 1940!

In subsequent years, several "mini" tax increase bills did slowly restore the Federal revenue base to nearly its post-war average share of GNP. The \$2.5 trillion in cumulative deficits since 1981, however, is not a product of "over-spending" in any meaningful sense of the term. In fact, we have had a rolling legislative referendum for 12 years on "appropriate" Federal spending in today's society—and by now the overwhelming bipartisan consensus is crystal clear.

Cash benefits for Social Security recipients, government retirees and veterans will cost about \$500 billion in 1998—or six percent of prospective GNP. The fact is they also cost six percent of GNP when Jimmy Carter came to town in 1977, as they did when Ronald Reagan arrived in 1981, Bush in 1989 and Clinton in 1993.

The explanation for this remarkable 25 years of actual and prospective fiscal cost stability is simple. Since the mid-1970s there has been no legislative action to increase benefits, while a deep political consensus has steadily congealed on not cutting them, either. Ronald Reagan pledged not to touch Social Security in his 1984 debate with Mondale; on this issue Bush never did move his lips; and Rep. Gingrich can readily wax as eloquently on the "sanctity" of the nation's social contract with the old folks as the late Senator Claude Pepper ever did.

The political and policy fundamentals of the \$375 billion prospective 1998 cost of Medicare and Medicaid are exactly the same. If every amendment relating to these medical entitlements which increased or decreased eligibility and benefit coverage since Jimmy Carter's inauguration were laid end-to-end, the net impact by 1998 would hardly amount to one to two percent of currently projected costs.

Thus, in the case of the big medical entitlements, there has been no legislatively driven "overspending" surge in the last two decades. And since 1981, no elected Republican has even dared think out loud about the kind of big changes in beneficiary premium costs and co-payments that could actually save meaningful budget dollars.

To be sure, budget costs of the medical entitlements have skyrocketed—but that is because our underlying health delivery system is ridden with inflationary growth. Perhaps

Hillary will fix this huge, systemic economic problem. But until that silver bullet is discovered, there is no way to save meaningful budget dollars in these programs except to impose higher participation costs on middle and upper income beneficiaries—a move for which the GOP has absolutely no stomach.

Likewise, the "safety net" for the poor and price and credit supports for rural America cost the same in real terms—about \$100 billion—as they did in January, 1981. That is because Republicans and Democrats have gone to the well year after year only to add nickels, subtract pennies, and, in effect, validate over and over the same "appropriate" level of spending.

On the vast expanse of the domestic budget, then, "overspending" is an absolute myth. Our post-1981 mega-deficits are not attributable to it; and the GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

It is unfortunate that having summoned the courage to face the tax issue squarely, President Clinton has clouded the debate with an excess of bashing the wealthy and an utterly unnecessary grab-bag of new tax and spending giveaways. But that can be corrected in the legislative process—and it in no way lets the Republicans off the hook. They led the Congress into a giant fiscal mistake 12 years ago, and they now have the responsibility to work with a President who is at least brave enough to attempt to correct it.

Mr. HOLLINGS. Mr. President, I quote from David Stockman:

In this regard, the full-throated antitax war cries emanating from the GOP since February 17 amount to no more than deceptive gibberish.

I will read that again. This is David Stockman:

In this regard, the full-throated antitax war cries emanating from the GOP since February 17 amount to no more than deceptive gibberish.

Bear in mind that Stockman is the architect of this fiscal dilemma that Republicans have offloaded on a President, President Clinton, who is willing to work, is willing to commit, willing to lead. I saw President Clinton last night on Larry King Live. He was magnificent. We, Democrats, are worried now because they have us on a tax run, because we were suckered into this nonsense. But listen to David Stockman to get a true picture of who got us into this mess and what is required to get us out of it.

I am quoting Stockman:

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability.

I want to read that again:

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

It ought to be obvious by now that we can't grow our way out of.

I am skipping over, and one more line here:

On the vast expanse of the domestic budget, then, "overspending" is an absolute myth. Our post-1981 mega-deficits are not attributable to it; and the GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

And among those marginalia, I would include the President's BVD's, which we had to hear about this morning from the distinguished Senator from Wyoming.

Now what have we come to as a governing body? The opposition does not offer a single constructive program. Stockman knows it. We know it. They know it. And that is why they constantly resort to this verbal abuse and posturing on taxes. I quote Stockman one more time:

Instead they have incessantly poisoned the political debate with a mindless stream of antitax venom.

That is what we have heard. That is exactly what it is. I cannot sit in my office and listen to this nonsense every week and act like seriously I am a Senator of the United States trying to work on the problems.

You find the President coming here and is willing not to finesse and fiddle around, but to attack the deficit from every angle. A freeze? Yes, I authored that, and tried, along with Howard Baker, for 5 years. President Clinton has offered better than a freeze. When you have \$548 billion in this for domestic discretionary, for defense, and for international—all three—and you are cutting it back, that is more ambitious than a freeze. That is not just taking the \$548 billion for 1993 and duplicating it next year. We are cutting \$10 billion out of that. We have cut spending first. And we still need, as Stockman and everyone else with any common sense knows—and they know it and they do have common sense—you are going to need some taxes.

I had to listen to the Social Security nonsense. Everybody that has a pension, other than Social Security, pays taxes on 100 percent of benefits. So it has been recommended in trying to get some kind of fiscal prudence around here that we take couples who are making over \$40,000, rather than paying on 50 percent, let them pay on 85 percent. Not on 100 percent, like every other pension beneficiary is paying, but let them pay on 85 percent. That is strictly on the rich. That is not ruining Social Security.

What they voted against—a majority—was an increase in Social Security taxes. We got under the Clinton bill a program of raising taxes on the wealthiest recipients of Social Security—who, bless them, have worked their way out and do not, in a sense, need Social Security as was originally intended, as a safety net. To tell you the truth, I have talked to many, many

of them visiting around the country and they agree that benefits of the wealthy should be taxed.

This crowd is trying to intimidate, terrorize, poison the well, as Stockman says, about Social Security.

Senator MOYNIHAN and I gave them a chance to vote against increasing Social Security taxes in April 1991. But they all said do not mess with Social Security. In fact, we were trying to stop the messing with Social Security. There was an automatic, by law, increase in January of over \$5.4 billion in Social Security taxes—factored out, over some \$30 billion over the 5 years. Republicans voted for that tax increase of over \$30 some billion but have the audacity and unmitigated gall now to come on the floor and oppose the \$28 billion tax increase for the wealthiest taxpayers over 5 years that can help us get rid of this cancer that they left on Bill Clinton's doorstep.

The problem then is not just the deficit. The problem is the tax increase of daily interest payments that are on automatic pilot. I call it the Reagan-Bush automatic pilot. They put tax increases to the tune of \$1 billion a day. That is our problem. Because if you take the entire Clinton plan, and you look at the end of 5 years, you still have a more than substantial deficit. You see, we confuse things when we talk about reducing the deficit by \$500 billion over 5 years. What we mean is we are reducing deficit spending by \$500 billion. Because the problem is so vicious and self-perpetuating that we will be increasing the national debt by way of ongoing deficit spending. Deficit and debt, debt and deficit, the same thing. Up and up and away. It has to be paid for, which increases the interest cost, interest taxes that are going up each year.

So what we are doing is trying to get on top of this tax hemorrhage. If they want to talk taxes, I am going to talk taxes the rest of this year. And they are the ones who created this mess over 12 years. They had the entire Government practically speaking with the President and his vetoes. He was always threatening. George Bush never threatened a veto on spending. I can go back to the Reagan record, all the spending bills he signed. Not a single veto of spending by George Herbert Walker Bush. At least they are no longer talking over there about the Bush recovery, for heavens sakes. We do not have a strong recovery. It is a very, very tenuous thing. Because of what? Because of the quadrupling of the national debt under Reagan and Bush. Because the debt was right at \$903 billion when President Reagan came to town. Now it is \$4.2 trillion. We never reached a \$1 trillion debt in the 207 years of history, with all the Presidents, in the history of our land, prior to Reagan. But when Reagan came on board, he instituted an affirmative action program to increase the

deficit and increase the debt, and now the Republicans have off-loaded it onto President Clinton.

The real problem is how can we keep the Government viable and solvent. We want to try to get on top of Head Start, Women, Infants, and Children's feeding, the FBI, the Border Patrol, the flood in the Midwest, Hurricane Andrew, antiterrorism, the cost of peace-keeping, and so on. How do we pay for it?

They say cut spending first. I am going to try to mark up an appropriations bill this afternoon. The first task I face is to cut \$1.2 billion to get within the President's budget. So when the distinguished Attorney General Reno came the first question I asked her was, "Madam Attorney General, where is \$130 million that you want cut. Do not tell me what you want to increase. You and I have to find the cuts."

When Secretary Brown of Commerce came, I said, "Mr. Secretary, \$537 million you and I have to cut." And we cut \$10 billion out of current programs—as they say, cut spending first. I would like to cut more—the super collider, the space station, the Osprey, \$2 billion out of intelligence could easily be saved, the satellite program. I can go on. The Republicans are the ones who continually vote for these unnecessary programs. Yes, we can cut spending more, but do not blame President Clinton for not cutting spending first. He has been leading the way, and they do not like it. They do not have a plan, and they want to act like taxes are the plan. Yes, their taxes. The Reagan-Bush taxes are \$310 billion, meaning every weekday and Saturday at 8 o'clock, every morning as a result of the Reagan-Bush administrations and their programs with all they had for 6 years, the Republican Senate and everything else—and they are the ones who started it. Ask Stockman. He said it started under their leadership, their President, their Senate. Now they try to cover up by generating this incessant babble about taxes. "A mindless stream of antitax venom" is what David Stockman calls it or, rather, deceptive gibberish. That is what we have. I hope they will cut it out and let us go to work and try to solve the Nation's problem and quite engaging in this pollster politics.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Chair recognizes the Senator from Arizona.

Mr. DECONCINI. Mr. President, what is the order of business?

The PRESIDING OFFICER. The Chair advises the Senator the period for morning business is set to expire at 12:45.

Mr. DECONCINI. Mr. President, I ask unanimous consent I may proceed in morning business not to exceed 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from Arizona is recognized for 5 minutes.

INCREASED SPENDING BY PRESIDENTS

Mr. DECONCINI. Mr. President, I compliment the Senator from South Carolina who has eloquently, as usual, pointed out historically just how ludicrous the other side of the aisle, the Republican side of the aisle has been with the spending under the Bush and Reagan administrations. It is really appalling to see the politicization that has changed in this body just by the fact that there is a Democrat at the White House. We saw the biggest spending, and you cannot blame it on Congress, you have to lay it right at the feet of the President of the United States, whoever that may be, he or she. And if in fact spending increases under this administration, it will be the Clinton administration that increased it, just as it was the Bush administration and the Reagan administration that increased spending.

Yes, the Congress does approve those funds. We understand that. But the leadership comes from the White House, and we have some leadership here. I did not vote for the Reconciliation Act because of tax problems that I felt were not necessary. But, indeed, there are cuts there, more cuts than we have seen ever offered, at least in the 17 years I have been in this body. The Senator from South Carolina certainly points that out very explicitly.

MFN TO ROMANIA

Mr. DECONCINI. Mr. President, on July 13, 1993, legislation was introduced in the Congress to restore most-favored-nation status to Romania. As chairman of the Commission on Security and Cooperation in Europe, known as the Helsinki Commission, this is an issue I have followed closely for some time and one about which I have expressed serious reservations in the past. That is why I feel it especially important to comment on it today, and I do support the restoration of MFN to Romania.

As many of my colleagues will recall, last year I joined Senator BYRD and a bipartisan group of my colleagues in cosponsoring an amendment to delay consideration of MFN until Romania's Presidential and parliamentary elections had taken place. Our amendment also noted that in considering the trade agreement, the Senate would take into account Romania's record on human rights and its compliance with the United Nations sanctions against Serbia and Montenegro.

Because of the Helsinki Commission's concerns regarding the free and fair conduct of the electoral process, Cochairman STENY HOYER and I sent a member of the Commission staff to Romania both during the campaign period and on election day. In our view, the September 1992 elections legitimately

reflected the will of the people of Romania.

Since that time, we have continued to monitor closely developments in Romania. In April 1993, I led a Helsinki Commission delegation to Romania, with the express purpose of focusing on issues of congressional concern: independence of the media, civilian control of the security forces, and protection of human rights. Our delegation discussed these issues in detail with Romanian human rights and civic organizations, media representatives, Parliamentarians, and President Ion Iliescu. We also participated in a ceremony commemorating the transfer of six United States speedboats to the Romania and Bulgarian customs authorities for assistance in sanctions enforcement.

Our delegation was impressed by many of the changes that were visible since our last visit in 1990, from the growing number of commercial enterprises in Bucharest to the energy and organization of the nongovernmental human rights community and the ambitious motivation of independent media representatives.

I firmly believe that the time has come to demonstrate our support and encouragement for the efforts the people of Romania continue to make to build and strengthen democracy in their country. Of course, the transition is still underway, and the Helsinki Commission will continue to monitor developments closely. But we need to acknowledge that important steps have been taken, from establishing a joint parliamentary commission to oversee the Romanian Intelligence Service to auctioning frequencies for local independent television stations to forming, with full government support, a Consultative Council for National Minorities. And we need to recognize that Romania is making a good-faith effort to enforce the U.N. sanctions against a former ally and trading partner, despite tremendous economic difficulty at home.

The Helsinki Commission naturally hopes that further progress toward full compliance with CSCE standards and commitments will be achieved. But clearly, important efforts are underway, and the Romanians deserve our support. If we truly care about developments in Romania, then our policy must be one of engagement, and not isolation. I urge my colleagues to join me in supporting the restoration of most-favored-nation trade status to Romania.

Mr. President, I yield the floor.

FOUR VALIANT LAW ENFORCEMENT OFFICERS DIED

Mr. DECONCINI. Mr. President, it is with great sadness that I come to the floor today. I regret to inform my colleagues of the deaths of three U.S. customs officers and one officer from the

Georgia Bureau of Investigation. These four valiant law enforcement officers died in the service of their country while protecting their community and our Nation—customs officers David E. DeLoach, air interdiction officer; Alan J. Klumpp, pilot; Carl "Richard" Talafous, pilot; and Lee DeLoach, Georgia Bureau of Investigation—no relation to David E. DeLoach—were killed in the crash of a U.S. Customs helicopter on Wednesday, July 14, 1993.

Mere words cannot express my sorrow over this loss. There is no doubt in my mind and there should be no doubt in this Chamber that these dedicated men made the ultimate sacrifice in the pursuit of freedom from the illicit drug trade. We owe the preservation of our fundamental freedoms to the brave few who put their lives on the line, to protect us, and to protect our children.

When one of your own is taken in the line of duty it brings close to home what the family and friends of law enforcement officers live with every day—that the next day may be their last. It is hard to imagine the pain and suffering that has come to the families of these Customs officers. I would hope that we would take a moment to reflect on the courage and the spirit of Messrs. Klumpp, DeLoach, Talafous, and DeLoach.

I have met with a good number of customs aviation operations employees, and I have found an extraordinary esprit de corps. This experience gave me the insight to know that commitment to law enforcement and the love of flying were with these individuals to the end.

Mr. President, the parents, family, friends, and all of the people close to these brave men, must know in their hearts that they have the thanks and the support of a grateful nation. The families must know that these men and the hundreds like them who carry a badge, do so with our respect and our praise. We should help David DeLoach's 2-year-old son to understand that his dad was on a mission to make his and other children's world a little safer. There is no higher calling.

No words, actions, or deeds can bring these brothers, sons, fathers, uncles, friends back to us. We should, however, always remember their contribution to this Nation's security. They died with honor and respect, just as they served. Mr. President, I would simply ask that we observe a moment of silence to remember our fallen.

FLOODING IN THE MIDWEST

Mr. BURNS. Mr. President, I had an opportunity to visit with a few of the folks affected by the devastating floods in the Midwest. I am not amazed at the steel of these people, the ability to come back from a very catastrophic flood. I can remember the floods of 1951 when the water got to the second floor

of the exchange building at the stockyards in Kansas City.

I can remember other floods. It is just remarkable, the resiliency of the core of this country, the heart of this country, the ability to deal with this catastrophic flood and do it with an attitude and resignation that, yes, this is mother nature acting up again; we are survivors; we will survive this, and the next generation will also. But we must help those people in some way.

But I will tell you, they are really brave, brave souls who are fighting the elements now in the central part of this great Nation. I congratulate them for it, and I am with them.

I thank the Chair. I yield the floor.

TRIBUTE TO PAT NIXON

Mrs. KASSEBAUM. Mr. President, recently, our Nation lost a person I believe served us all as an uncommon First Lady. Pat Nixon never sought the public spotlight, and in fact, she never cared a great deal for political life, but she brought to the White House a special dignity and a quiet determination that only now seems to be gaining an appreciation.

News stories since her death have talked about her support for equal rights for women and for the appointment of a woman to the Supreme Court. We also now recognize her efforts not only to restore the historical authenticity of the White House but to open its doors to more of the American people.

I never had the pleasure of meeting Mrs. Nixon, but I have long admired her. In part, that is because of my own family history as the daughter of a man strongly devoted to politics and public service. Like Pat Nixon, my mother was never enamored of politics, but she cared deeply about my father and our family and her priorities were never in question.

Pat Nixon's priorities also were never in question. The news media and much of the public seems to have never understood that she was not pretending to be a faithful wife and a good mother. That is simply who she was and what she was. For the Nixon family, she was the human bridge between the never-ending demands of public life and the need each of us feels for a place that is genuinely, and simply, home.

Somehow, I am not surprised to hear now that Pat Nixon had superb political instincts or that she played a role in White House matters. Her obvious intelligence and substance always suggested that. But the titles she prized most highly were those of wife, mother, and homemaker. With a lifetime spent in the glare of the public spotlight, holding to those priorities was no small achievement. We honor her for that.

SOUTH DAKOTA'S BUSINESS CLIMATE—THE WORD IS SPREADING

Mr. PRESSLER. Mr. President, I wish to draw the attention of my colleagues to an article that appeared in the June 21, 1993, edition of the Los Angeles Times. I do so because it does an excellent job of capsulizing the fertile economic climate cultivated by my home State of South Dakota.

The article cites South Dakota's "appealing way of saying no"—no to corporate and personal income taxes; no to pollution; and no to crime—as the reasons why many large and small corporations look upon the State as a low-cost promised land. The article notes that corporations, like Citibank's Visa and Mastercard operations and Milage Plus, United Airlines' frequent flier program, have come from as far as New York and California to Sioux Falls and Rapid City, SD. These and other corporations create hundreds of jobs for South Dakota.

Computer manufacturer, Gateway 2000, as the article also states, exemplifies South Dakota's appeal within the Midwest. Like other corporations once based in neighboring States, Gateway 2000 has taken advantage of South Dakota's State government program that provides low interest loans for businesses uprooting and planting themselves in South Dakota, as well as grants for financing research. Despite the recent tragic and untimely death of our Governor and other State economic leaders, the article adds that "in true Dakotan stiff-upper-lip fashion, the State is carrying on" its economic mission.

The article also mentions the fiscal responsibility with which my home State acts. Perhaps Washington and the rest of the Nation could learn something about South Dakota's commitment to meet its constitutionally mandated 5 percent surplus to an already balanced State budget. Equally noteworthy is an unemployment rate just a shade above 3 percent—evidence that the State's common sense approach to business and Government works.

Mr. President, the State has reaped the fruits of its efforts. Last fall Money magazine recognized South Dakota's robust economy and down-home feel, and chose Sioux Falls as the No. 1 place in the Nation to live. Now the Los Angeles Times has discovered South Dakota's uniquely attractive qualities—something that business leaders all over the Nation already have determined. I ask unanimous consent that the Los Angeles Times article appear in the RECORD immediately following my remarks.

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

[From the Los Angeles Times, June 21, 1993]
AS SOUTH DAKOTA SAYS "NO," BUSINESS ANSWERS WITH "YES"; ECONOMY; RURAL VALUES—AND NO TAXES, NO TRAFFIC, NO CRIME—PAY OFF. FIRMS MAKE THE LEAP TO THE PLAINS

(By Martha Groves)

RAPID CITY, SD.—When companies looking for a change of scene come calling, South Dakota has an appealing way of saying "no": No corporate income tax, no personal income tax, no personal property tax, no pollution, no traffic tie-ups, no crime.

All this naysaying makes South Dakota sound like a low-cost Promised Land to major U.S. corporations, led by Citibank, that have brought jobs and fresh vigor to this thinly populated pocket of the Great Plains.

With a focused, business-friendly strategy mapped out years ago, South Dakota has turned isolation to its advantage by exploiting the virtues of old-fashioned rural values. In the process, it has led the way for other prairie states and shed its reputation as an economic backwater.

As many states have watched jobs evaporate in the 1990s, South Dakota has added employment and population while negotiating a slow but crucial shift away from a near-total dependency on agriculture and natural resources.

"South Dakota is really one of the bright spots in the country," said Philip M. Burgess, president of the Center for the New West, a Denver think tank. "There is tremendous economic diversification going on."

South Dakota now boasts cutting-edge high-tech manufacturers and a bevy of home-grown and transplanted entrepreneurs. The jobs they offer are helping South Dakota keep its young people, who used to flee to Minneapolis, Omaha or Des Moines.

South Dakota even has a dash of Hollywood glitterati. Actor/director Kevin Costner and his brother, Dan, hope to build a \$65-million-plus resort in Deadwood, the Black Hills gambling town near where Costner filmed the thundering buffalo herds of his Oscar-winning 1990 film "Dances With Wolves."

The absence of corporate and personal incomes taxes has proved a magnet for companies looking to expand.

"It's an attempt to attract business through the use of incentives and make a more attractive business climate—a variation on Reaganomics," said Alvin Rabushka, a senior fellow at the Hoover Institution of Stanford University, a conservative think tank.

South Dakota's success can even provide some lessons for an industrial behemoth like California, economists say. The state has something that goes way beyond a favorable business climate and has eluded California: A cohesive network of state and local leadership that heeded economic warning signs and pulled together in an unprecedented way.

"I think we've been very successful, for a state of only 700,000 people, given where we were 15 years ago—basically last in everything in an economic sense," said William Janklow, a crusty Sioux Falls lawyer who as governor in the early 1980s helped pave the way for revitalization.

South Dakota's effort to remake itself was dealt a tragic blow on April 19, when a small-plane crash killed the state's charismatic governor, George S. Mickelson; its economic development commissioner, Roland Dolly, and four other top officials. They were returning from a trip aimed at helping a troubled Sioux Falls meat-packing plant.

Yet, in true Dakotan stiff-upper-lip fashion, the state is carrying on.

"Our mission and our goals are not going to change," Gov. Walter Dale Miller, a lanky, conservative rancher who succeeded Mickelson, said over a breakfast of eggs and hash browns at a Best Western motel in Pierre, the capital. "A lot fewer people are doing farming. We've got to find jobs for those people."

Although the state still ranks a weak 38th in per-capita income, it has excelled in attracting or creating jobs in manufacturing and higher-paying services such as health care and finance. From 1988 to 1990, 40% of the state's 5,200 new jobs were in manufacturing.

Stiff competition for workers has forced wages higher in recent years, but—at \$16,558 in 1992 vs. \$19,841 nationwide—they continue low enough to bolster the state's appeal for employers. And the money buys far more than in Los Angeles, Chicago or Minneapolis. Unemployment, lately at 3% to 4%, is well under the nation's, and less than half that of California.

Many prestigious companies—and some that lead their industries but aren't household names—have discovered South Dakota. Some examples:

Mileage Plus, which manages United Airlines' frequent flier program, relocated a processing center to Rapid City from Carson, Calif., in 1989. It will soon add 25 workers, for a total of 340.

Spiegel, the suburban Chicago catalogue company, opened a customer service center in Rapid City two years ago, now at 355 employees.

Gateway 2000, a leading direct seller of personal computers, migrated to North Sioux City from across the border in Iowa. Started by two brothers in their farm home, it has grown to nearly 2,300 employees. Reflecting its bucolic roots, Gateway ships its products in boxes with black-and-white Holstein markings.

South Dakota's success is not another tale of fed-up California fueling a resurgence in a landlocked state where the living is easier, bone-chilling winters aside. Higher tax-neighbors such as Minnesota and Iowa provide good pickings for South Dakota, which benefits when companies scamper over the border to expand.

But California does contribute.

Nine years ago, Mark Heiberger was spirited away from South Dakota by the glamour of Northern California's Silicon Valley. After what he termed "seven long, painful years," he and his wife, Clare, both in their 30s, left fast-track jobs as engineer-managers and bought a 640-acre ranch outside Rapid City.

A graduate of the South Dakota School of Mines and Technology, Heiberger took a job at Cynetics Corp., a young Rapid City company that develops satellite communications systems.

"People back here live a little simpler," said Heiberger, a long-legged Westerner in jeans, boots, T-shirt and big silver belt buckle. "If you drink beer, you don't have to drink Beck's. A Miller Genuine Draft is considered socially acceptable."

Cynetics' founder, Don K. Lefevre, credits Rapid City's economic development team with helping him find potential customers, and he praises South Dakota for nurturing homebred businesses with grants and funding. Cynetics got \$28,000 from South Dakota's Future Fund, which finances research.

The state's REDI (Revolving Economic Development and Initiative) Fund, established by the late Gov. Mickelson in 1987, provides low-interest loans to needy start-ups and

firms that want to expand or relocate from other states. It has aided 135 companies and helped boost South Dakota's manufacturing jobs by one-third, to more than 37,000.

In this heavily Republican state, where 92% of the population is white, residents have long distrusted big government, even as they have depended on U.S. crop subsidies for survival.

South Dakotans have for generations yanked on their own bootstraps to survive droughts, tornadoes, floods and sour economic times. They scoff at cholesterol warnings and pack away a steady diet of steak and potatoes. A tony Deadwood restaurant serves potatoes with its pasta.

Fiercely independent, South Dakota has yet to pass a seat belt or motorcycle-helmet law. The constitution requires a balanced budget with a 5% surplus. More than half the state's revenues come from sales and use taxes, with other big portions from video lottery and a bank franchise tax.

The state gets by with lower taxes because it has been spared expensive urban problems. American Indians—7% of the population—have gained little from the economic revival and still suffer astronomical unemployment.

Slashed roughly in two from north to south by the Missouri River—explored by Lewis and Clark in the early 1800s—South Dakota has distinct geographies.

East River, as the eastern half is known, consists of gently rolling farmland and Sioux Falls. West River, where the elevation climbs to 3,000 feet in the semiarid High Plains, comprises grassland and ranchland, the dramatic Black Hills, Mt. Rushmore and a bunch of colorful mining towns. More or less dead-center sits Pierre (pronounced *Pear*).

War broke out here in the 1870s when the Sioux refused to sell mineral rights to the gold-laden Black Hills. In 1876, the Indians defeated Gen. George A. Custer at the Battle of the Little Bighorn in what is now Montana, but soon after they gave up the hills.

Deadwood, one of the most famous mining towns, is where Wild Bill Hickok was shot to death in Saloon No. 10 while holding two pairs—aces and eights, or "dead man's hand."

The town still has its wild and woolly aspects. Small-stakes gambling arrived in 1989 and has stirred controversy—and raised bundles for the state and Deadwood.

It also brought Kevin Costner and his brother, Dan, who opened the Midnight Star gaming parlor (named for the saloon in the movie "Silverado") and Jake's restaurant (named for Costner's character in that Western).

The Costner brothers have been lobbying to build a destination resort, tentatively called the Dunbar (after Costner's Army lieutenant in "Dances With Wolves"). To accommodate them and help South Dakota compete with other gambling states, the Legislature voted to raise stakes to \$100 from \$5 and increase the number of gaming machines for each establishment.

The Costners' chief opponent is an East River grandmother who contends that gambling has damaged the quality of life. But Dan Costner says the resort would provide much needed jobs, property taxes for schools and a boost for a region that "was blowing away in the wind."

For years, South Dakota's farms and ranches have been supporting fewer and fewer people, and a steady urban migration has created a sore need for jobs—and woes for the towns left behind.

The transition from prime cuts to prime rates and stockyards to stockbrokers is well

along in the one-time cow town of Sioux Falls in the state's southeastern corner—where a radio station's bull-naming contest elicits "Clinton" as the first suggestion.

The town—South Dakota's largest, with 123,000 people—is still aglow from having been chosen last fall by Money magazine as the nation's most livable place. Money's editors were impressed by Sioux Falls' robust economy and down-home feel. The biggest problem is a chronic shortage of housing for the influx of workers.

Much of the vitality derives from Citibank, which in the early 1980s brought a Visa and MasterCard center from New York after Bill Janklow, then governor, persuaded legislators to encourage out-of-state banks to set up shop.

Another draw was South Dakota's lack of a ceiling on credit card interest rates. Citibank was losing \$100,000 a day because of New York's 12% usury limit.

At the time, indebted South Dakota farmers were in crisis, pummeled by torrid inflation and double-digit interest rates. Now, farm wives and offspring supplement family incomes with jobs at Citibank's sprawling complex on the north side of town. There, 2,800 employees in ergonomic computer modules solicit new card members by phone, field complaints, mail bills, collect payments and prod the tardy.

By day, Deb Schaefer, 29, supervises multi-million-dollar corporate credit-card accounts at Citibank, where she has worked for 12 years. By night, she feeds cows and bales hay at her family's 650-acre farm 32 miles away in Chester.

The bacon she brings home—a salary in the mid-\$20,000s—takes the pressure off her farmer husband, Alan. "I pay the bills with my salary," she said. "Without my job, we would have to do things a lot differently."

Some Dakotans fear that the state's small-town character could be doomed. Yet the suggestion by two Rutgers University academics—first floated in 1987—that the lone-some Plains might best be turned back to prairie grass and buffalo herds sounds ridiculous here.

"We're in the job-creation business," noted David M. O'Hara, acting commissioner of the state Office of Economic Development. "Our economy over the last five years has been great. There's no reason to change it."

EULOGY FOR MRS. PATRICIA NIXON

Mr. WALLOP. Mr. President, the passing away of Pat Nixon deeply saddens me. While most recall her public life, my immediate concern and sympathy go out to the Nixon family. She was unlike any other First Lady. Yes, she was a First Lady who brought grace and style to the White House, but even more importantly, she was a woman who struggled to be the best wife and mother she could be during very turbulent times. She epitomized the family system. Although I met Pat just a few times, I came away with a sense that politics was secondary to her family life. I think that it was this distinction along with her graceful, attractive, and steady presence which helped her cope with the tough political struggles that she and President Nixon endured.

Many may not realize that Pat spent 43 years as the wife of a politician. De-

spite the unique strains this lifestyle can place on a marriage, she was throughout these years a supportive wife and the principal contributor to her husband's success. For example, during the Depression, after she and President Nixon got married, she worked as a high school teacher to supplement the President's meager earnings as a struggling attorney. From then on she continued as a partner by her husband's side, through their campaigns for the House, Senate, Vice Presidency, and finally the Presidency. Pat was brave and unassuming through good times and bad.

The public will remember her most fondly in her role as First Lady. However, President Nixon recounted that while her public accomplishments were great, Pat wanted to be remembered as the mother of Tricia and Julie. While her husband worked tirelessly for our Nation, Pat took much of the responsibility in raising Tricia and Julie. This was compounded not only by the celebrity spotlight, but also by the cultural turmoil of the 1960's. From his essay, "Pat," President Nixon quotes Winston Churchill's tribute to former Prime Minister Asquith, "His children are his best memorial." I think that is the way Pat would like to be remembered. Her children are her best memorial."

The life of Pat Nixon should be celebrated. She chose her role in life and led it to perfection. As Americans, we should be grateful for her contributions to our country, and as human beings we should draw strength from and admire the private role she played as a strong, compassionate, and generous individual, wife, and mother. My wife and I give our heartfelt prayers to the Nixon family and to their memory of a special woman, mother, and wife.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at \$4,334,398,784,435.69 as of the close of business on Monday, July 19. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is \$16,874.62.

SOUTH DAKOTAN ELECTED GIRLS' NATION PRESIDENT

Mr. PRESSLER. Mr. President, today I wish to pay tribute to and congratulate an outstanding South Dakota student—Terra Brown. Yesterday, Terra became the first South Dakotan ever to be elected president of Girls' Nation. All South Dakotans join me in congratulating her and telling her how proud we are of her accomplishments.

Terra first attended Girls' State in Brookings, SD, in June of this year. In fact, I had the honor of speaking at Girls' State then. Terra was selected as

one of the two delegates to represent our State at Girls' Nation. The other delegates is Susan Happel of Garretson. While attending Girls' State, Terra was elected major and party chairwoman of the Federalist Party and participated in the Citizens Forum.

Terra will be a senior at Washington High School in Sioux Falls, SD, this fall. She has been involved in debate, basketball, and highsteppers, and is a member of the National Honor Society. She intends to pursue a career in law or Government.

I have known Terra Brown's family for many years. In fact, I attended the University of South Dakota with her father Dick Brown. The members of the Brown family are no strangers to politics and Government service. Dick worked a number of years for the late U.S. Senator Karl Mundt. Sue, Terra's mother, has served on the Sioux Falls School Board. I have enjoyed their fine hospitality in their home. They are a first rate family.

In conclusion, Mr. President, Terra is the type of young woman we all would hope our daughters would become. Terra, I congratulate you for earning the well-deserved honor of being elected as the president of Girls' Nation.

I ask that an article which appeared in the Sioux Falls Argus Leader be printed in the RECORD.

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

CITY TEEN ELECTED TO NATIONAL LEADERSHIP ROLE

(By Rosemary McCoy)

A Sioux Falls teen-ager was elected Tuesday as the first South Dakota president of Girls Nation.

Terra Brown, a senior at Washington High School, defeated her opponent from Mississippi in voting Tuesday morning.

Two students from each state are chosen from Girls State events to attend Girls Nation, a citizenship program sponsored by the American Legion Auxiliary. This is the event's 47th year. It is taking place at Marymount University in Arlington, Va.

Brown, 17, said in a telephone interview that she's impressed by her peers.

"It's really a privilege to represent people that I just find myself looking up to," she said.

On Thursday, Brown and other Girls Nation delegates will meet with President Clinton. She will give him the legislation delegates pass as they learn about government.

Getting elected took a combination of knowledge and personality, Brown said.

"The larger emphasis is being able to have knowledge of current events," she said. "But it's very important to come off as a personable young lady who will be able to represent Girls Nation in the best way, as the best leader. That always requires personality."

Brown said her father and boyfriend encouraged her to run.

"I would have really regretted it if I hadn't given it a chance. It's such an honor just to come here. You have nothing to lose."

Although she's from a small Midwest state, Brown said she didn't have to overcome any prejudices in her bid for president.

Brown, the daughter of Richard and Sue Brown, attended Irving Elementary and Patrick Henry Junior High. After college, she'll pursue a career in law or government.

Susan Happel of Garretson is the state's other delegate at Girls Nation, which ends Friday.

PAT NIXON (1912-93)

Mr. HELMS. Mr. President, it goes without saying that President Nixon and his marvelous family must surely have been deeply touched by the outpouring of tributes to Mrs. Nixon since that gallant lady passed away on June 22. I cannot match the beauty of the words of others expressing love and admiration for Pat Nixon but Dot Helms and I felt a very personal loss when the sad news came about Mrs. Nixon's death.

I recall the first time I saw Mrs. Nixon in person. I had just arrived in Washington in late 1951 to serve as administrative assistant to North Carolina's junior U.S. Senator Willis Smith whose office number was 345 Senate Office Building.

There was only one Senate Office Building in those days. There were 48 States and 96 Senators housed in that one Senate Office Building. Up the corridor was the office of North Carolina's senior Senator Clyde R. Hoey, whose office was 337 Senate Office Building. In between the offices of North Carolina's Senators was that of a young Senator from California named Richard M. Nixon. Senator Nixon had attended law school in North Carolina at Duke University. Senator Smith was chairman of the Duke University's trustees and he, Senator Hoey, and Senator Nixon established a friendship from the very beginning of Senator Nixon's election.

Mrs. Nixon came to her husband's office with some frequency; she often brought with the two Nixon daughters, Tricia and Julia, whose ages closely corresponded with the ages of Jane and Nancy Helms.

I remember our sharing a table at lunch in the Senate cafeteria with Mrs. Nixon and her daughters. She was always delightful, so genuine, so sincere. In every way she was a class act—a lady with high principles, unyielding courage, constantly supportive of her husband. We regarded her as an all-American who loved her husband, her family, and her country.

And in 1973, when I came to the Senate, we saw this remarkable Pat Nixon many times. She was the same unpretentious special lady. I am convinced that President Nixon drew strength from Pat Nixon. In any case, she was unflinchingly and faithfully at his side. We need not wait for history to identify her as a great First Lady. The American people already knew that long ago.

MRS. RICHARD NIXON

Mr. COCHRAN. Mr. President, the recent death of Mrs. Richard Nixon has saddened me and turned my thoughts to her and to the members of her family who have sustained a great loss.

Mrs. Nixon was admired and respected by me although I did not know her well personally or socially. I had the good fortune to be a guest at the White House as a new Member of Congress on a few occasions during my first term in the House of Representatives 20 years ago.

My wife and I were delighted and warmed by the friendly and charming way we were received by President and Mrs. Nixon on those occasions. Mrs. Nixon had a way of making us feel relaxed and comfortable when we had every reason to be nervous and anxious and intimidated by the experience of visiting the White House for the first time.

I know that during my first term in the other body, the Nixons endured much stress and heartache. Through all this, Mrs. Nixon stood tall and showed through her loyalty the confidence she had in the integrity of the President. I appreciated her for this and for being always a poised and resolute companion for President Nixon and an intelligent and graceful First Lady for us all.

We will continue to remember Mrs. Nixon with respect and affection and trust that her family will be comforted by the heartfelt appreciation so many of us feel for her.

THE DISMISSAL OF WILLIAM S. SESSIONS

Mr. HATCH. Mr. President, on Monday, President Clinton dismissed Judge William S. Sessions as Director of the Federal Bureau of Investigation.

Judge Sessions has dedicated his career to the service of the American people. He served with distinction as a Federal judge in Texas. He was appointed by President Reagan to head the FBI in 1987 and, to his credit, helped to modernize the Bureau and to improve cooperation between Federal agencies and State and local law enforcement. In addition, he oversaw the FBI's successful transition away from an agency that emphasized counter-intelligence to one which focuses on domestic white collar crime, drug offenses, and violent crime.

For example, under this leadership, the FBI fervently pursued white collar crimes, such as securities and commodities fraud, in cases like Operations Sour Mash and Pennycon. He championed the investigation of fraud and corruption in the Department of Defense in Operation Ill Wind.

La Cosa Nostra was dealt a severe blow with the convictions of John Gotti and other major organized crime figures. The extent of our Nation's

health care fraud problem was brought to light by the FBI's successful investigation of pharmaceutical diversion schemes in Operation Goldpill. More recently, Director Sessions oversaw the largest assault undertaken by law enforcement against illicit telemarketing. This effort, Operation Disconnect, resulted in the arrests of hundreds of illicit scam artists preying on our Nation's elderly.

Finally, and most recently, Director Sessions' FBI reestablished itself as the premier counterterrorism agency in the world with the quick and decisive arrests of those involved in the bombing of the World Trade Center and the more recent conspiracy to bomb the United Nations. These are just a few of the highlights of Director Sessions' effective and courageous tenure at the helm of the FBI.

The administration has been vague about the exact reasons for Judge Sessions' dismissal. What is clear, however, is that Judge Sessions served his country ably and with great distinction. His leadership of the FBI will be missed. I commend him for standing by his principles.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

NATIONAL AND COMMUNITY SERVICE TRUST ACT OF 1993

The PRESIDING OFFICER. The Senate will now resume consideration of S. 919, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 919) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes.

The Senate resumed consideration of the bill.

Mr. WOFFORD. Mr. President, in his absence, Senator KENNEDY has asked me to pilot the bill.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. WOFFORD] is recognized.

Mr. WOFFORD. Mr. President, the distinguished Senator from Illinois, who has been a pioneer in the field of youth service and national service even during his days in the House of Representatives, is ready to speak.

The PRESIDING OFFICER. The Senator from Illinois [Mr. SIMON] is recognized.

Mr. SIMON. Mr. President, I thank my colleague from Pennsylvania. I thank you, Mr. President.

He was kind in saying I have been a pioneer in this area, not as much as the Senator from Pennsylvania. My staff dug out a statement that was presented

to me when I chaired the Select Education Subcommittee in the House in 1979 and the cochair of the Committee for the Study of National Service testified. The cochair was a man by the name of HARRIS WOFFORD, then the president of a college in Pennsylvania. He said, among other things, that national service would "demonstrate how some of the Nation's most pressing needs can be met more economically, with less inflationary effects, by the effective application of the spirit of service."

He also said this:

To see how voluntary national service could be a practical alternative, one needs to practice some of the imagination preached to us this season by writers about Einstein. As a young man Einstein asked himself: "What would the world look like if I rode on a beam of light?" Then he let his mind ride out on that beam of light to comprehend a new universe. We need to ask: "What would our nation look like if young people in large numbers volunteered for a year or more of full-time service?"

Those were the words of HARRIS WOFFORD, now the distinguished junior Senator from Pennsylvania.

I am pleased to rise in behalf of the bill.

I understand that our colleague from Kansas, Senator KASSEBAUM, will have an amendment to fairly dramatically reduce the impact of the bill. I have great respect for Senator KASSEBAUM. We have worked together on the Subcommittee on Africa and in the Foreign Relations Committee. She is one of the better Members of this body. But I think she is wrong in this amendment.

Her amendment, as I understand it, would cut down from 25,000 to 5,000 the number of people who would be initially eligible for national service, and it contains some other provisions that I think are not helpful.

One of the things that happened in the Presidential campaign—and I do not say this purely as a Democrat—is that Bill Clinton went around the Nation and talked about national service. The Senator from North Dakota and the Senator from Pennsylvania were in the audience. One of the lines that always got applause when candidate Bill Clinton spoke was his statement that he wanted a program of national service that would make opportunities available—and the phrase then was—"to millions of people." In fact, as late as last night on the Larry King show he talked about eventually having millions of young people participate in national service.

This bill starts out very very modestly—25,000 in a country of 240 million people, and the Kassebaum amendment would cut that down to 5,000.

The second idea in candidate Bill Clinton's speeches was that you would be paid something for national service and you would be able to use that to go to college.

I see my distinguished colleague from Kansas on the floor right now. I am speaking about the amendment she is about to introduce.

The second provision that I disagree with is that it would cut back the amount that you could be paid for that service, from \$5,000 a year for service to \$1,500. These Pages here in front of us—and we thank them for the job that you do for all of us—are going to be going to college in a couple of years. Let me tell you, \$1,500 is not going to go very far when they want to go to college. \$5,000 helps, but it is not going to pay the cost at most colleges. Cutting this down to \$1,500 would be a mistake.

Then the third area where I differ with my friend from Kansas is in recognizing that the programs that now exist that do a good job. VISTA is an example. The VISTA program really is a great program. I know that my friend and colleague from Kansas has a little different impression of the VISTA Program from the experience she had some years ago. As subcommittee chair over in the House, I had a chance to visit a lot of the VISTA programs. I have to tell you they have just done a tremendous amount of good. I am proud of the VISTA Program. I have had people come and thank me for the VISTA literacy program. They had learned how to read and write because of the VISTA literacy program. We do not want to reinvent these programs. In fact, I think the criticism could be made of this bill that we do not expand the VISTA Program enough.

So, I favor the bill. I do not favor the amendment of my colleague from Kansas, much as I respect my colleague from Kansas. As I said before she entered the floor, she is one of the better Members of this body by any gauge. But even the better Members of this body once in a while can go astray, and I believe that with this amendment she has gone astray, Mr. President.

Mr. President, I am pleased to speak in support of the National and Community Service Trust Act of 1993, and appreciate the commitment of our chairman, Senator KENNEDY, to bring the bill to the floor. It is particularly a privilege for me to join my friend and colleague Senator WOFFORD on the floor of the Senate to support a long-time goal for both of us: To enact a national service program that will give Americans from all walks of life the opportunity to serve their communities and their Nation.

The national service agenda has a long history, one that my colleague from Pennsylvania and I have shared from the time he testified before the House Subcommittee I chaired in 1979, more than a decade ago. At that hearing, Senator WOFFORD, then the cochair of the Committee for the Study of National Service, stated that national service would demonstrate how some of the Nation's most pressing

needs can be met more economically, with less inflationary effects, by the effective application of the spirit of service.

And he added:

To see how voluntary national service could be a practical alternative, one needs to practice some of the imagination preached to us this season by writers about Einstein. As a young man Einstein asked himself: "What would the world look like if I rode on a beam of light?" Then he let his mind ride out on that beam of light to comprehend a new universe. We need to ask: "What would our Nation look like if young people in large numbers volunteered for a year or more of full-time service?"

Senator WOFFORD asked these questions then:

How can we design a program that brings together young people—rich and poor, black and white, college-bound and high school dropouts—in effective service to society, at the lowest cost with the least bureaucracy? * * * Why should high youth unemployment and widespread drifting in suburbs and slums, continue in the face of the important national needs that young people could help meet? * * * The idea has worked on a relatively small scale with the Peace Corps, VISTA, and the Young Adult Conservation Corps. * * * Can't we make it work on a large scale?

With this legislation, we are answering those questions in a positive way.

Although the idea is not new, this initiative is new because it has been adopted and given credibility by a new President with a vision for the future. There are few issues that were raised during the last campaign that captured the enthusiasm and support of people the way the national service idea did. President Clinton and his team in the Office of National Service have tapped an energy and enthusiasm during the development of this legislation that we should not ignore. Clearly, the Nation is ready to embrace the concept of service for all, and the time is right to act upon this national interest.

We have learned many lessons from VISTA, the Peace Corps, Older American Volunteer Programs, and the programs funded through the National and Community Service Act. One of the strongest elements of this legislation is that it builds on successful approaches and greatly expands volunteer opportunities while permitting a variety of service options. It would be a great mistake to force everyone into one mold or to assume that there is only one time in a person's life when a commitment to service is appropriate. The foundation we lay with this legislation is one that will engage the spirit and dedication of Americans of all walks of life—and of all ages—to solve the Nation's problems.

S. 919 will provide funding in fiscal year 1994 for 3,700 VISTA service years and 450 VISTA Literacy Corps service years. I want to say a few words about these programs specifically. VISTA is unique among the service models authorized by S. 919. In addition to the

requirement that VISTA projects work on the problems of poverty, VISTA volunteers must be available to their community 24 hours a day, 7 days a week. The volunteers themselves come from every walk of life and are of all ages; it is not unusual to find a former teacher now dedicated to establishing a literacy program, or a former nurse dedicated to establishing programs to help persons in nursing homes.

VISTA is also unique because it is capacity building; it is a program that teaches people and communities how to solve their own problems. The administrative structure of the new Corporation will permit the approach of VISTA to work synergistically with other volunteer programs. The ability of the various programs to work cooperative will expand exponentially the number of volunteers available to attack the problems that are identified at the grassroots level by people themselves in the communities being served.

Next year, the VISTA Program will celebrate its 30th anniversary. More than 100,000 volunteers will have served in some 12,000 antipoverty projects across the Nation in that time, and it is significant that many have chosen public service for their careers. A letter we had at one point from the assistant to the mayor of Detroit stated: "My VISTA year * * * was more valuable than any college class I ever took and laid the foundation for my entire career." Our colleague Senator ROCKEFELLER has talked many times about the impact this program has had on his life.

VISTA's long record of helping people during disasters is especially meaningful today. VISTA is playing a lead role in communities along the Mississippi during this recordbreaking flood. In East St. Louis, IL, for example, VISTA volunteers who serve with the Red Cross are coordinating emergency housing services, finding sites for shelters, and recruiting local volunteers to support them. The VISTA's are identifying the needs of persons in shelters and helping them find the resources to meet these needs.

VISTA's ability to mobilize resources and set up efficient systems—and most of all, to recruit and oversee local volunteers—is what is needed in this crisis, and is what has kept the program meaningful to communities all over the country for so many years.

I am pleased that this legislation reauthorizes and expands the VISTA program, including the VISTA Literacy Corps, and will permit this unique volunteer program to work cooperatively with the other clearly identifiable parts of the mosaic of volunteer programs.

Although it may be enticing to believe that we can simplify and consolidate volunteer programs, and come up with a very simple structure to administer them, we must understand that in

doing so we may lose the unique characteristics of individual programs such as VISTA and make volunteering less appropriate for large numbers of people and less effective for the communities receiving the volunteers.

We need our Senior Companions as well as our VISTA's and our Serve-America youth volunteers. The volunteers are different and the programs they work for are different; they should be given the individual support they need. This legislation recognizes and builds on that reality.

President Clinton's staff at the Office of National Service, particularly Eli Segal, Shirley Sagawa, and Jack Lew have earned our thanks and deserve great credit for the long hours and dedication they have given to this worthy challenge. Tom Sanders on Senator KENNEDY's staff and Marty Rodgers in Senator WOFFORD's office are also deserving of our thanks.

All those who have contributed to shaping this legislation—and those who were willing to "ride that beam of light" Senator WOFFORD talked about more than a decade ago—have reason to believe they have played a role in the beginnings of a significant and positive change in our Nation. The spirit of service is one that is based on a hope and belief in the future. We serve our Nation well by giving that hope and belief to many who do not have it today. I urge my colleagues to support this bill and to oppose amendments that would weaken it.

I will be voting against the Kassebaum amendment and for the legislation. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois yields the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas [Mrs. KASSEBAUM].

AMENDMENT NO. 603

(Purpose: To provide a substitute amendment)

Mrs. KASSEBAUM. Mr. President, I send my substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself, Mr. COCHRAN, Mr. HATFIELD, Mr. MCCAIN, Mr. STEVENS, and Mr. THURMOND, proposes an amendment numbered 603.

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

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

(The text of the amendment appears in today's RECORD under "Amendments Submitted.")

Mrs. KASSEBAUM. Mr. President, there was a great deal of debate yesterday on the new proposed National and Community Service Trust Act of 1993.

I believe that, through the opening arguments, we heard the broad outline of what national service means and what community service means. All of us are in strong support for those efforts. We have always been a people, as was expressed yesterday, who have responded to the needs in our communities to give what assistance we can.

Much reference was made to the States where there has been major flooding and the help that individuals in those States have received. I know that all of us have participated at one time or another in these efforts, and I particularly recognize the importance of those who conduct these efforts.

I just want to make some comments about why I chose a different approach, and to reassure those who now are saying, "What happened to VISTA; what is happening to the Foster Grandparent Program, or the Senior Companion Program, or the Retired Senior Volunteer Program?" All of these programs are still in place, and there is nothing that is being cut.

As an example, for the Foster Grandparent Program, there was an authorization for 1993 of \$98.2 million and an appropriation of \$64.8 million. That is almost twice the amount of money that has been appropriated for VISTA, which is \$34.7 million. The difference between the Foster Grandparent Program and VISTA is that it is a program in which there is just a stipend, for a couple of hours of time that are volunteered a week, or an hour a day. It is not something that is full-time work, as is the case with VISTA.

One of the reasons, I think, Mr. President, that there is confusion today as well as some concern and cynicism about government, is that it is not clearly understood what we do and why we do it with the programs that we have. I want to show some charts that really express why I think there is reigning confusion and little understanding about the type of programs that we have. Those programs could be coordinated and made, I think, to work more effectively. That is the desire with my legislation.

Under S. 919, in the flow of the Federal service funds, a wide array of programs will still stay in place with their own identities without being incorporated into a new National Community Service Program. We would have, under this bill, the VISTA, RSVP, Senior Companions and Senior Volunteer Programs that are part of ACTION, which has 9 regional offices, and 47 State offices.

In addition, under the Department of Defense is the Civilian Community Corps. Under the Department of Education is Innovative Projects for Community Service and Student Literacy Corps. Under the Departments of Agriculture and Interior, the Summer Youth Conservation Corps.

We will have, then, the new Corporation for National Service authorized

under S. 919, and it will then have its own State commissions and local and statewide programs and participants.

I suggest, Mr. President, that really, we have missed an opportunity when we talk about reinventing government, to approach it in a different fashion. What I suggest doing would make the whole scenario more streamlined—and I have never used charts, Mr. President, but this seems to be the new way to present our programs on the Senate floor today. This is how it would look under my substitute amendment.

What I have attempted to do with my proposal is combine programs and coordinate those programs. Rather than keeping separate offices, State offices, regional offices, these are folded into one National Community Service Program. The specific program identities would be lost as separate initiatives, but the focus of the programs would remain the same.

I think everyone believes the Foster Grandparent Program has worked well, and the Senior Companion Program has worked well. But I think to maintain separate identities with separate administrative structures, really loses the opportunity for us to approach things in an innovative way. I would like to eliminate some of the confusion and duplication with service programs. There is, I think, a great desire to see us provide an initiative that is coordinated, is more accountable, and can be more effective in the delivery of services.

Under my approach, the Corporation for National Service and Volunteer Programs would incorporate all of these programs. The various separate administrative offices would be eliminated. There would be a greater focus on local and State programs, but there would be just a State commission of only one program, which would be the National Service Program.

I think the Senator from Pennsylvania [Mr. WOFFORD], who has spent many years working with volunteer programs, understands why this may be a desirable approach. But it is awfully hard sometimes to get from A to Z. In between, there are programs and initiatives and administrative levels that had been established, and it is hard to get rid of whatever is started.

Consider the history of VISTA, which started as the Domestic Volunteer Program in response to the Peace Corps. It has never grown as was envisioned. I asked, for instance, how many VISTA workers were operating in Kansas. The Kansas office was not sure. They thought between 29 and 31. I know, for instance, there are three in Wichita, KS, who are working the Center for Abused Women.

I do not intend to focus on VISTA, but it is a program in which, you serve for 2 years, you serve with minimum wage, full health benefits, and you get a bonus at the end of your service. But

you also have to have a sponsoring program that wants to have a VISTA volunteer work with that program full time.

Evidently, one of the difficulties is getting enough programs that want to request or ask for full-time VISTA support in order to have an ongoing program that can expand and grow. I believe it was Senator SIMON who mentioned, why not just expand VISTA? Why not maintain it as is projected under the administration's plan with the bonus that would be either for education, or for the participant's own personal use, as has been the case in the past? Why not expand that and utilize that, rather than starting an additional layer of national service programs which are essentially doing the same thing as VISTA, but just with an education voucher?

It seems to me that we have created an apparatus that tends to grow without giving enough thought to what we are hoping to accomplish.

The substitute amendment that I propose is cosponsored by Senators COCHRAN, HATFIELD, STEVENS, THURMOND, MCCAIN, and SIMPSON.

There has been a great deal of talk about reinventing government. As I understand that term, it means departing from the notion that all wisdom resides in Washington and, instead, tapping into the enormous energy and creativity which exists beyond the beltway.

It acknowledges that the Federal Government can play a constructive role in improving the lives of citizens, while recognizing that success should not be measured by the number of separate programs created, by the size of the recipe book of Federal instructions, or by the volume of Federal spending. Rather, it envisions a streamlined structure in which national objectives are achieved by offering the flexibility to those on the scene to respond in the manner most appropriate to the circumstances at hand. Emphasis is shifted from process to results.

I can think of no area more fitting for the application of these principles than that of national and community service.

My greatest fear is that the Federal business-as-usual approach taken by S. 919 will lead to a sense of frustration and cynicism directly contrary to the goals of national service.

The substitute I am proposing attempts not only to correct the problems which I see with S. 919, but also to develop a more rational and streamlined approach to national and community service efforts at the Federal level. The goals of my proposal are the following:

First, to integrate Federal service efforts in a single, consolidated program;

Second, to maximize State flexibility to determine needs and priorities;

Third, to recognize legitimate fiscal constraints and the need for a reasonable rate of expansion; and

Fourth, to experiment with post-service benefit concepts before making a full-scale commitment to a \$5,000 educational benefit.

I want to explain briefly how the specific provisions of my proposal will meet these goals.

First, perhaps the most dramatic feature of my amendment is its effort to create a single organizational structure. I am not talking about placing an umbrella over a series of independent programs, which is the approach taken by S. 919. Rather, I am talking about one National Service and Community Volunteer Program at the Federal level.

My proposal creates a Corporation for National Community Service and provides for a 2-year transition period during which most existing full-time national service and part-time federally funded volunteer programs would be incorporated into this single Federal entity. The new program would provide a consistent set of stipends and benefits and would reduce excessive administrative overhead.

This approach challenges the notion that specific problems can be solved only by specific programs. Too often, we find that a program has been tailored so tightly to meet a particular set of circumstances that it cannot respond to a range of similar problems which emerge elsewhere.

A second feature of my proposal requires that funds be allocated to local entities based on individual State plans—not on a single national plan. Rather than retaining two-thirds of the funding for allocation by the Federal Government, as S. 919 does, 50 percent of the funds will be distributed to the State based on population, 30 percent will be used to make grants to States on a competitive basis, and 20 percent will be distributed by the Corporation on an open competitive basis. Three-fourths of Federal volunteer program funds will be distributed to the States, while the Corporation distributes the remaining 25 percent on a competitive basis. The Corporation will allocate 80 percent of service-learning funds to the States and distribute the remaining 20 percent on a competitive basis.

This approach offers States and localities far more leeway in defining their own solutions to their own problems. Any attempt to define needs at the national level either ignores completely huge chunks of the country or, alternatively, becomes such an unwieldy laundry list as to be meaningless.

I also have wanted to be able to address the cost of the program, because I think the success of any of our volunteer programs have been those that have been well managed with their roots in the community up. I fear that we are starting with a costly program in which we are giving \$5,000 a year for 2 years for education benefits when we

are not really certain whether that is the right amount of money or not. I would say a \$1,500 a year education voucher would be sufficient.

I believe, Mr. President, it is far better to start small and manageable. The cost for my initiative would be \$100 million versus the administration's \$400 million proposal in just their new National Service Program.

My amendment includes several other improvements over S. 919, including eliminating pages of prescriptive requirements dealing with everything from the mandated membership on State commissions to the contents of local grant applications. In addition, unlike S. 919, my proposal does not put the Federal Government in direct competition with private charities in soliciting financial contributions.

My proposal is an opportunity, Mr. President, to do exactly what we have been talking about and what President Clinton has been talking about in reinventing Government to make it leaner, more accountable, and less confusing. If we wish to do business as usual we are going to continue to risk the cynicism that is growing in the public toward Government that we really do not know what we are doing.

I would hope, Mr. President, we would think seriously about this, and I will be happy to answer any questions concerning my proposal.

I would like to recognize if I may now, Mr. President, Senator SIMPSON, who has been wanting to speak since yesterday evening.

The PRESIDING OFFICER. (Mr. KERRY). The Senator from Wyoming.

Mr. WOFFORD. Mr. President, will the Senator from Wyoming yield?

Mr. SIMPSON. I am glad to yield to my friend from Pennsylvania.

Mr. WOFFORD. I would like to suggest that we agree on a time limit.

The PRESIDING OFFICER. The Chair interrupts to remind Senators time is not controlled, so Senators will be recognized per their request for recognition.

Mr. WOFFORD. Mr. President, I understand our staffs have discussed time agreement, and I would like to suggest without objection with unanimous consent a time agreement of 2 hours beginning at 1 o'clock when the Senator from Kansas began, if that is agreeable to her.

The PRESIDING OFFICER. Is there objection?

Mrs. KASSEBAUM. No. Perhaps I ought to check. I have a number of Senators who wish to speak. I think that that will be fine, but I do want to check because Senator SIMPSON, for instance, wanted to speak last night. I thought things would be expedited by having people who did not speak yesterday speak today. But let me check that and I will be back.

Mr. WOFFORD. I yield.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I shall not be long. I thank my friend from Kansas. I admire her not just on this amendment but so many things. I appreciate Senator WOFFORD and his courtesy and Senator BOREN who was in the Chamber and was also seeking recognition.

I just wish to express my very serious concerns about the President's national service plan. I think we must be aware of what we are doing here and what is being presented.

Since the very founding of our Nation, Americans have been, I think, correctly characterized as possessing a great spirit of voluntarism. President Clinton's call for Americans young and old—the clarion call—to dedicate themselves to service to society was a campaign theme applauded by all.

America's track record for voluntary service is truly the envy of the world. Americans will continue to respond to that call with eagerness and enthusiasm. But under this bill whatever happened to voluntarism? This bill will pay participants to work in their communities. I do not see how that will build citizenship. It will not instill in the young people of this country the importance of giving something back to their communities. How do you learn the importance of voluntarism when you are paid for it?

Look at the congressional awards where we give the bronze and silver and gold medals. Those are people who deserve our support and assistance in America, not those who are paid. My concerns are not with the spirit of national service but with this bill in particular.

I just do not believe this bill will deliver the results that are sought by the President. This bill as written is unfortunately more likely to become a make-work budget-buster, and that is what it is really is. It is a budget-buster.

Others have talked about the authorization of \$434 million in fiscal year 1994. This bill is estimated to cost \$7.4 billion over 4 years. This in addition to the \$1.5 billion per year for community service-type programs currently authorized by the Congress. Great duplication here. The President promised all students during the campaign on college campuses that they could work off their education debts by performing national service. It quickly became clear there was not enough room in the budget for such a grandiose plan. The President then backtracked and offered a scaled-back plan that would allow 25,000 students to participate in the first year.

Those participants, get this, regardless of their family incomes would be eligible to receive terrific postservice benefits. They would receive awards toward education or job training for each year of service performed. In addition participants would receive living al-

lowances no less than the minimum wage, plus thousands of dollars of health care and child care benefits.

What the President's bill does is turn national service into a college grant and job training program that is more generous by far than the current Pell Grant Program. I do not think that is what anyone had in mind.

The bill provides \$5,000 to \$10,000 in education assistance. The average Pell grant in 1991-92, was \$1,335, the average student loan was \$416. The estimated cost per beneficiary under the bill would be \$22,667, significantly higher than any other loan program. It will certainly take people away from any voluntary program with the military. I think you can write off the voluntary military when they find out they do not have to go through the rigors and discipline of military service to receive education and jobs training assistance. Who would not?

The bill establishes an unnecessary bureaucracy, one that ignores the strong foundation of the ACTION Agency, ably staffed by a former staff person of mine at one time, Donna Alvarado. She served in a splendid capacity with that agency.

The bill also ignores the role of the Commission on National Service in its scope. State ACTION committees and State committees on national service will continue to operate but not necessarily in tandem with the programs established by this legislation. I think the bill neglects a very important opportunity to streamline national service. It would compound existing inefficiencies by expanding the Government bureaucracy. I believe we need to make these programs more efficient and more effective. Senator KASSEBAUM, as is her wont, has prepared a thoughtful alternative and drafted legislation which addresses many of the problems of which I have just spoken.

The alternative streamlines and integrates current volunteer programs and allows a transition period for the incorporation of most existing full-time and part-time federally funded volunteer programs into a single Federal entity.

Her bill would require that funds be allocated to local entities based on individual State plans—not on a single national plan. Senator KASSEBAUM is correct—service to our Nation should begin at the local level. Local entities have a much better understanding of where the greatest needs are. In her alternative, local governments are given maximum flexibility to determine the needs and priorities of their own communities. Her alternative wisely calls for an 18-month demonstration program—a very excellent idea—to determine the most reasonable level of postservice benefits and the most efficient methods for providing those benefits. Funding for the demonstration program would be authorized at \$10 million in the first year and \$20 million

in the second. Her plan fully recognizes current fiscal constraints and the need for accountability. Total first year spending under the Kassebaum alternative would be \$100 million. It is more reasonable to start new Federal programs at less grandiose levels. Let us see if they work before coming out of the starting blocks with the \$434 million first year program President Clinton advocates. The Kassebaum alternative would support 5,000 new full-time national service positions rather than the 25,000 anticipated under the President's plan. The maximum per year education stipend under the Kassebaum alternative would be \$1,500. Under the President's bill, the amount would be \$5,000 per year.

I think national service becomes a handout under President Clinton's plan. It is an expensive experiment in job training for a lucky few that our country cannot afford.

And all of us know, those of us who are new and those of us who have been here, that if there is one item where we wander in this Chamber and simply vote for in every agency of the Government it is something that has to do with job training. I think we have job training programs all over the United States and we do not even know what they do. This makes them not worth much.

What the programs really do is please the employer who is very pleased to take the job training money and usually spend it on a person who cannot or will not do the job. So, once the job training money is gone and the job is not there, we decide to pass another job training bill.

I will enter in the RECORD at the appropriate time the list of job training programs in the United States of America. It will boggle your mind. The results from them—whether it is veterans, whether it is low income, middle income—the results are far removed from what we say they will be when we speak about them on this floor.

So I certainly support Senator KASSEBAUM. I think she is in the appropriate position to point out the defects in the President's program. The bill does not focus sufficiently on local government autonomy and local government abilities to best respond to the needs of the constituents.

I commend her. I have worked with her. She came here when I did. She is a splendid legislator, a very able, thoughtful, bright woman. She has made an excellent effort here in drafting a very thoughtful alternative. I think it deserves our support.

I thank the Chair.

Mr. WOFFORD. Mr. Speaker, I ask unanimous consent that there be 2 hours, equally divided, starting now, with the time controlled in the usual form on the pending Kassebaum amendment numbered 603; that at the conclusion or yielding back of time,

the Senate vote on or in relation to amendment No. 603; and that no other action except for a motion to table be in order prior to the disposition of amendment No. 603.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Who yields time?

Mrs. KASSEBAUM. Mr. President, I yield to the Senator from Oregon [Mr. HATFIELD] as much time as he wishes to take.

The PRESIDING OFFICER. The Senator from Oregon is recognized for such time as he may use.

Mr. HATFIELD. I thank the Chair and I thank the author of this substitute amendment, which I wholeheartedly support.

Mr. President, the media reminds us quite frequently of the growing materialism in this country and the depersonalization of our society and culture. I find myself, as do so many others, constantly searching for affirmation that these seemingly growing trends are aberrations.

Once in a while, we do have experiences which prove our desire to see our society still enlivened with voluntarism and concern for each other. Sometimes, even out of tragedy, such as the floods in the Midwest today, we find evidence of that kind of spirit in this country.

I have just returned from viewing those floods and the devastation in Missouri. And I was buoyed by the expression of spirit among the people I visited.

I met with volunteers at a Salvation Army relief center that had been flooded out of its headquarters, but reopened quickly in the basement of a nearby church. The center was bustling with volunteers—people making sandwiches, filling bags with cans of fruit and dried food donated from around the region, volunteers carrying in bags of ice or food, wiping sweat from the heat and heavy humidity, but obviously there because they wanted to help—to be of service to those in need.

The spirit of voluntarism that I observed so closely last week in Missouri is exactly what I hope we will further reinforce through national service. Our Nation was founded on the principles of voluntarism.

Twice in this century, Mr. President, this Nation has been thrust into circumstances and conditions that have brought forth an amazing response from our people. One such example is the case of World War I, when President Wilson asked Mr. Herbert Hoover to head up the food production and get volunteers throughout the country to provide assistance to our families; this came to be known as Hooverizing—one meal a week, conserving and sharing.

It was really a remarkable national example of the principle of sharing.

Second, when President Roosevelt found himself with the problems of the

Great Depression, he established the Civilian Conservation Corps in the 1930's which is another example of the National Government calling upon Americans to served and offering earned awards in return.

These are two different kinds of responses—a clear role to be played by the National Government.

But I want to also be very careful that we not regiment or impose a standard that the only way to produce national service is through some kind of a Federal bureaucracy.

In the past, some people have called for national service in lieu of military service. For years I fought the draft, the idea of the draft; the most odious form of involuntary servitude I know. People would say to me: "Well, don't you believe every young person has a duty to serve his country or her country?" I would say, "Of course, but is wearing a military uniform the only way to serve your fellow human beings in your country? I think the school teacher, I think the farmer, the shopkeeper, and the ditch digger are serving their Nation. We do not have to be regimented in either uniform or in some Federal bureaucracy to evidence our concern and our desire and our willingness to serve our country."

Last week I received a letter from my good friend, Raymond Burr, in which he shared the personal benefits he derived from being a veteran of the CCC. I would like to share with you today a few of his comments:

I look back on the experience as one of the most important periods in my life. Like millions of others * * * I was immeasurably changed by the sense of mission I felt in the CCC, as well as the hard work, the camaraderie, the opportunity to learn important crafts—and most of all by the feelings of accomplishment. I did not earn a great deal of money in the CCC, but the personal benefits I derived were priceless.

At a time when the possibility of meaningful work and genuine participation in public life must become real for all members of American society, the idea of national service presents an opportunity for citizens of every race, religion, age, and socioeconomic background to come together in an effort to rebuild communities.

But, Mr. President, this is not a "jobs" bill and it should not be a "jobs" bill. We must be very clear about that. The purpose of this legislation is not employment. The ultimate goal of a national service program should be to help every citizen better understand the web of interdependence that is presently all too fragile within our country and the global community. I am in full support of the idea of service to one's community, State, and country.

I am concerned, however, about the method by which we implement a new national service program. I am not solely convinced that voluntarism requires Federal intervention. The very

essence of voluntarism is that it is driven by an individual's desire to give of themselves for the benefit of others, without benefit to themselves. I am concerned that the steps we take here today enhance this concept, rather than replace it with the concept of giving of oneself only when a financial incentive is involved. I have frequently opposed the federalization of voluntarism and have opposed efforts to reward volunteers with Federal tax breaks and other benefits.

We must also recognize that service to one's country occurs everyday through a myriad of ways that are not a part of the Federal or governmental structure. It is the diversity of opportunities which should define our national commitment to service.

It is at the community level that our service roles must be recognized and strengthened. Looking back to one of the heroines of our country, we can learn a great deal from Jane Addams, the founder, in 1889, of Hull House, the famous model settlement house in the Chicago slums. She succinctly and eloquently illustrated the concept of service with the goal of enhancing our understanding of our interdependence when she wrote:

We have learned to say that the good must be extended to all of society before it can be held secure by any one person or any one class; but we have not yet learned to add to that statement, that unless all men and all classes contribute to a good, we cannot even be sure that it is worth having.

Addams spoke of the settlement as "an institution attempting to learn from life itself." Her vision was one of enabling the inhabitants of Hull House to have a sense of context that would give meaning to their lives—to have a conception of the whole and of their own particular part within it. My conception of national service parallels this philosophy.

Although we intend for national service to help in the revitalization and transformation of our communities it is not so much a call for a new paradigm as much as it is a recommitment to our democratic traditions. We must build upon the premise that democracy is the involvement of all citizens in a common civic life. Its roots are in our communities.

In my view, any new national service legislation should provide the foundation for the engagement of citizens and stakeholders in taking responsibility for the difficult decisions involved in determining priorities for volunteer action within their communities and States. Research suggests that when citizens are called upon to think about the common good, they find their personal interests broadened, and their commitment to the community deepened.

Sociologists tell us today one of the great problems of American society at this time is a loss of a sense of commu-

nity, rootlessness, disconnectedness. I think, therefore, it has to start within the community, hopefully within the family, within the neighborhood, to get people involved "with their nation." Not because they carry a Federal label on whatever program they may be involved in, but because they are really involved with human beings, where they live and where they hope to make their life.

National service should also provide the opportunity for all participants to see the connection between education and their work as a volunteer, regardless of their age. The elementary or secondary student, college student, or senior citizen can be encouraged to see the role of lifelong learning as training for citizenship in a democracy. Our educational system can no longer afford to merely transmit specialized knowledge and skills to students at the expense of neglecting their development of social responsibility and ethical sensitivity. What will be required is not just dedicated teachers and administrators at all educational levels, but parents involved in their children's education and a sense of community among all participants in support of each other and the educational enterprise.

In order to bring to fruition a National Service Program that truly meets these goals, I believe we must begin by working on a limited basis to implement a model National Service Program. In these troubled times when we are facing a multibillion-dollar shortfall in our Federal Pell Grant Program, and underfunded campus-based aide programs, we cannot responsibly enact a new National Service Program which calls for nearly \$400 million in first-year funding alone. The more prudent approach is to test our ability to meet the challenge of a full-fledged federally supported national service structure.

Therefore, I rise in support of Senator KASSEBAUM's amendment which would create 5,000 new full-time national service positions during the first year while maintaining the 15,000 positions supported by the existing programs incorporated in this legislation. This rate of expansion is one that is attainable within the first year at the high rate of quality that I envision for this program.

I also support the provisions in the Kassebaum substitute which call for unifying some of our existing service programs. I have long supported many of these programs—VISTA, ACTION, Retired Senior volunteer programs, Foster Grandparents, and others—yet if we choose to begin a new service commitment, one which welcomes participants of all ages and focuses them on a variety of human needs, we must prioritize our resources. It is my understanding that this legislation maintains the current authorization levels

for these important programs during a 2-year transition period. Following this time, State commissions will have the flexibility to determine how best to utilize these programs to meet the needs within their boundaries—which will reinforce the community-based nature of national service. Simultaneous to this unification, and the initiation of a limited National Service Program, the Kassebaum substitute provides for an 18-month demonstration program to determine appropriate levels of postservice benefits. These three components should result in a carefully implemented new national service commitment, built upon community needs.

We rush into national programs oftentimes, and what do we do? We set up criteria, we set up standards, we federalize, we nationalize programs. The greatest advances in our political history have occurred at the State level, in the communities of our Nation. For example, today Oregon leads this Nation in coming up with a feasible, practical health care reform plan for comprehensive health care. We continue to struggle at the national level with this issue. We ought to continue to turn to the States for answers.

In the Kassebaum amendment we are doing the same thing. Let us create the opportunities for diversity, for ingenuity, for creativity at the State and local level. We are moving with good intent, but we must be careful not to end up with a Federal program that reflects little or no local character. With good intentions, we will fail to really maximize the genius of creativity that is out there in our communities today if we do so.

I am pleased to associate myself with the Senator from Kansas in her effort to make what, I think, is a more practical approach, a more pragmatic approach, and one that recognizes the diversity in this country and calls upon our people to respond in their own communities.

John Dewey, regarded by many as America's most influential philosopher, wrote the following in 1899 in "The School and Society":

The obvious fact is that our social life has undergone a thorough and radical change. If our education is to have any meaning for life, it must pass through an equally complete transformation. * * * When the school introduces and trains each child of society into membership within such a little community, saturating him with the spirit of service, and providing him with the instruments of effective self-direction, we shall have the deepest and best guaranty of a larger society which is worthy, lovely, and harmonious.

Mr. President and my esteemed colleagues of the Senate, can we in 1993 ask for anything less?

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Pennsylvania.

Mr. WOFFORD. I yield 10 minutes to the Senator from Oklahoma.

Mr. BOREN. Mr. President, I thank my colleague from Pennsylvania. Let me say many of the statements that have been made by my colleague from Oregon, and earlier by my good friend and colleague from Kansas, are comments with which I would agree. I think we are united in a common purpose, to try to rebuild a sense of community in this country. We all see a value to people giving back, particularly young people getting in the habit of giving back to the community and meeting their responsibility to give back. We all want a program that will allow ingenuity and creativity at the local level and a diversity of approaches so we can pick and choose that approach that works the best.

Having said that, however, I must state my own personal belief that the bill that is before us is certainly preferable and stronger in terms of meeting those goals and objectives than is the substitute offered by my colleague from Kansas. I think our colleagues need to pay close attention to the differences between these two proposals. Our goal is to try to rebuild that spirit of community. As we have said in the past, it should not take a war, it should not take a national calamity, it should not take a crisis to break down the barriers which have been building up between our own people. The very strength of our Nation is going to depend upon the strength of the social fabric of this Nation, the fact we understand we are all one American family.

In time of war, people began to understand that. During World War II, as I said yesterday, as one example, the barriers of racial discrimination began to come down because people were serving together in uniform. They were fighting together. They were risking their lives for each other. They were depending upon each other. They were sharing their hopes and their dreams with each other. And it became impossible for them, when they returned to civilian life, to return to those patterns of discrimination that had seemed normal to them before.

How badly we need today to have experiences that bring a diversity of the American people together so they can work together and understand each other. That inner-city young person who lacks a cohesive family unit, who does not have a mentor—how badly that inner-city youth needs an opportunity to mix and mingle and work together in a common purpose with people of their own age who can become role models and mentors, who can show them there is another way to live, that there are goals they can adopt for themselves. These are young people who do not have advantages but have enormous abilities, talents that can be tapped, talents that can be used.

At the same time, those young people who have enjoyed privileges as they

have grown up, who have lived, perhaps, in the suburbs, who have either attended private schools or have attended public schools with very selective student bodies in terms of the educational level of the parents and the cohesion of the family units and the opportunities to read and to travel and to learn—those students also need an understanding that they have been given so much in terms of opportunities by the community and by their families and they have a responsibility to give back. They need, badly, also, to understand what it is like to struggle without those advantages. They need to understand that real meaning and purpose in life comes from helping and giving a hand up to other people and to sharing with other people the same goals and objectives.

It should not take a war. It should not take a national emergency to bring together the people of this country to work in a common endeavor. But unfortunately there are fewer and fewer opportunities in which even young people of the same age—some of them even growing up in the same city or town, or in the same county—get to know each other; get to know people unlike themselves, get to understand the perspectives and the needs of people who do not live on their streets or perhaps do not attend their particular local schools or do not go to church with them on Sunday. We need these opportunities for people to come together and to understand that in our diversity is the great strength of this country.

How do we best do that? This gets to the very point of the difference between the bill that has been put forward by several of us and has been endorsed by the President, and the substitute of my good friend from Kansas.

First of all, the educational benefit for those who participate under the bill as originally before us would be \$5,000 for a year of participation. Under the substitute it is only \$1,500.

Mr. KENNEDY. Will the Senator yield at that point?

Mr. BOREN. I will be happy to yield.

Mr. KENNEDY. The Senator knows the average indebtedness of a student graduating from college is some \$6,500?

Mr. BOREN. That is correct.

Mr. KENNEDY. Does it not seem to the Senator that \$5,000 that was established when we passed the Community Service Act, as I understand it, was trying to represent what the cost of tuition would be in a public college across the country, as being a reasonable kind of educational voucher, so to speak?

Mr. BOREN. That is correct.

Mr. KENNEDY. If we were to cut back to \$1,500, does the Senator agree with me, it would, therefore, limit or it might very well limit the appeal of that to those who had a different financial situation from what would be the general average working family?

Mr. BOREN. I think the Senator is absolutely correct. Here we want a program that will bring all Americans in so they can have a common experience, not just the children of the affluent. Let us remember, we are not talking about asking people to engage in voluntary activity; they work an 8-hour day; they have other jobs, other occupations, and then they work as volunteers on the side. What we are talking about is full-time work in public service for a year, for a maximum of 2 years.

Students simply are not going to be able to afford that, if they come from middle-income families, for example, if the benefit is \$1,500 a year. If the benefit is \$5,000, then those students who are from families who are not affluent will have an opportunity to gain that satisfaction as well. The last thing we want is to create another program which is simply going to have only a very few people who can afford to participate in it.

The goal of the program must be diversity. The goal of the program is for that impoverished child and that affluent child and the middle-income child and those from different racial backgrounds and different geographical areas, and all the rest of it, to have a chance to have a common experience.

So I believe certainly that the bill, as originally introduced, would do much more to provoke the kind of diversity and shared experience, not a kind of paternalism, but a really uniting experience, which is exactly what we badly need in our country.

There are a couple of other things that I want to mention very quickly.

Mrs. KASSEBAUM. I wonder if the Senator from Oklahoma will yield for a question on my time.

Mr. BOREN. I will be happy to yield.

Mrs. KASSEBAUM. Mr. President, it concerns the education benefit. Yes, a \$5,000 per-year education voucher is something that would be below the average for a 4-year college program, but this benefit will also apply to vocational and proprietary schools. There are a number of those programs in which a \$1,500 voucher would easily meet those needs.

I do not think we have made a distinction in the programs, and this is one of the reasons why I think we need to carefully review how we can use those benefits in a way that does not get out of control. Certainly, tuitions are going to rise to meet whatever the voucher amount is made available.

So, Mr. President, as I see it, the educational benefit is not just for a 4-year college program; it is for any post-secondary program.

Mr. KENNEDY. Will the Senator yield on that point?

Mrs. KASSEBAUM. Yes.

Mr. KENNEDY. As I understand the legislation, if a proprietary school is less, they will be able to get the tuition. They do not get more than the value of the tuition.

So what Senator BOREN is pointing out, the way this is constructed, they will be able to use the amounts that have been gained either to go to the proprietary school or to go to higher education. The way it is constructed by Senator KASSEBAUM is that you would effectively limit it just to the proprietary school. I think the case is really made.

Mrs. KASSEBAUM. Mr. President, not to extend this, but I think this is an important point. The Senator from Massachusetts [Mr. KENNEDY] is correct, but I also point out that the program that may now only be one \$800 program is going to see that there could be \$5,000 to cover it. All of a sudden it is going to be a more expensive program. I just think that is one thing we need to be careful to avoid. I think these, again, are things we have to understand, think about, and work through. I will be glad to discuss this.

Mr. KENNEDY. Will the Senator yield for one more point on this?

Mrs. KASSEBAUM. Yes.

Mr. KENNEDY. We will be delighted to work with the Senator trying to ensure either proprietary schools or other schools are not going to use the figure that we establish in here as an excuse to raise their tuitions. I think that is probably a legitimate issue and question. I know that is a concern of some of the Members of the Senate and others. I think it is something that we are interested in and concerned about.

I think the Senator has referenced this point about the increase in tuition, and we will be glad, irrespective of how this amendment comes out, to work with her and the other members of the committee on this issue.

Mrs. KASSEBAUM. I thank the Senator.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor and has 2½ minutes remaining.

Mr. BOREN. Mr. President, I ask my colleague from Pennsylvania if he will allow me an additional 2½ minutes so I will have 5 minutes to complete my comments?

Mr. WOFFORD. I have no objection.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor and may proceed for 5 minutes.

Mr. BOREN. Mr. President, let me complete just briefly, again, not wanting to be argumentative. As I say, I am extremely pleased that the Senator from Kansas has not come to the floor for the purpose of opposing the concept of national service. That has never been her approach. She always has constructive suggestions to make. I applaud the fact that she is doing this very thoughtful proposal today. It is my hope that when all is said and done, we will be able to blend together the best parts and we will be able to have a bill that we can have enthusiastic support behind on both sides of the aisle.

But I will repeat my point that, at least as the substitute now stands, it is one that I do not believe is beneficial in terms of meeting the goals of the original bill, as the proposal first laid down. I simply believe that by cutting the educational benefit back from \$5,000 to \$1,500, you are going to discourage those students who want to go to regular public universities. Perhaps some students even want, with the help of scholarships, to attend some of the private universities, if they have the ability to do so.

By reducing the educational benefit derived by giving up a year of one's life to perform national service, we are going to make it less possible for those who are not affluent to participate. Many of those are the very people we need to encourage to participate so that they understand what it means to contribute something back to society, that they have the thrill of knowing they have made a difference, that they have built something, that they have done something to change the quality of life in their own communities. The esteem that builds, the character that builds, the discipline that builds is so important.

So I will say, for the sake of diversity, the original bill is certainly preferable to the substitute.

Second, having been a Governor, I have to say that I believe the original bill also is better in that it provides a third of the money back to the States for programs that they wish to undertake, but the other two-thirds would either be Federal programs or competitive programs.

The substitute would give 50 percent of the programs to the State. I lived through the CETA period, for example. I was Governor during part of that period. I was in the State legislature. I have seen what happens when States are sometimes given money for programs like these without adequate controls. I think our proposal is better. Let us have a competition. Let us give a certain base to the States, a third, so we make sure each State gets its share. Then let us have a competition as measured by the national commission in terms of the kind of proposals that are the best proposals so our dollars will go the farthest. So I think again the substitute is not preferable in that regard.

Finally, I say, as one who worked very, very hard to bring back a model based upon the old CCC Program, which worked so well during the Great Depression, which brought people of all kinds, young people, out of the inner cities, for example, to rural settings where they built parks, and we think about what happened, over 3 million participants ultimately. They built 800 State and national parks. They restored 4,000 historical structures. They built 38,000 bridges. They planted more than 4 billion trees in this country.

They did so much good, and out of that, working together on common projects and in a setting in which these programs were run by military officers, they learned some discipline as well.

General Marshall talked about the enormous contribution that experience of young people working together, working together in a disciplined, structured, residential environment, the impact it had in preparing this country once the tragedy of World War II came. Think about the skills that are learned, think about the pride, think about people. I get letters even today after I have proposed bringing back this program as a part of the national service component, the pride the people still feel today when they visit national parks and picnic pavilions and drive across bridges that they worked on as young people in the CCC. People do not tear up what they build themselves. It builds a sense of self-respect. It helps break the welfare cycle. It does so much good for our country.

I think this is an option also that need not be foreclosed. It should be tried. We are being hard hit in many parts of the country, military bases being closed, many talented people in the military, trained young people, are being forced into early retirement. Let us use that talent now to instill pride, to instill discipline, to instill skills and knowledge of how to work hard, in young people. Let us use it through programs like the CCC brought back in a modern form that is a part of this bill. That, as I say, Mr. President, would be phased out as a separate identity under the substitute that is being offered.

So, Mr. President, while we agree on many things and while the Senator from Kansas and I, I am sure, agree on more points about national service than those points on which we disagree, while we have much in common in terms of the values we embrace, I simply urge my colleagues to carefully study the substitute.

When it comes to diversity, promotion of community, an opportunity to bring all people together regardless of their economic status or background, when it comes to allowing opportunities in new settings to teach discipline and skills and work habits, when it comes to making sure our money is spent on programs that are the best so we have competition for the best programs instead of handing it over to State governments automatically on a regional basis, I believe the original bill is preferable to the substitute.

I hope my colleagues will join in that decision; that we will defeat the substitute and continue to work in a constructive way with my good friend from Kansas and see if we can work together to improve the basis proposal now before us.

The PRESIDING OFFICER. Who yields time?

Mr. WOFFORD. Mr. President, I thank the Senator from Oklahoma for his careful work in crafting this bill and, above all, in constantly keeping the central core of the diverse experience in his presentations.

I yield 6 minutes to the former Peace Corps volunteer from the State of Connecticut.

Mr. DODD. I thank the Senator, my colleague from Pennsylvania.

Before he leaves, I compliment the Senator from Oklahoma for his work on this bill as well.

Mr. President, let me state to my colleague from Kansas my appreciation for her efforts and hard work on this and many other initiatives. We have had agreements and disagreements over the years on various things but never once has she offered an idea or suggestions in a nonconstructive way. I wish I could say the same about myself in offering amendments over my career in the Senate.

So my disagreement with the distinguished Senator from Kansas on this particular substitute is really more not over the essence of what we are talking about—there is, I believe, a fundamental agreement on that point—rather, the pace at which we proceed, the direction in which we go in certain areas.

I wish to take these few minutes, Mr. President, to focus on one aspect of this substitute, and that has to do with the VISTA programs and the other existing domestic volunteer service programs. I want to share with my colleagues the work that is done by these programs and the cost effectiveness of that work. Too often we only ask: How much does it cost to keep a VISTA volunteer in the field: How much does it cost for the RSVP Program or the Senior Grandparents, Foster Parent programs, and so forth, rather than looking at what is the benefit that comes back to us as taxpayers.

For 29 years the VISTA Program has provided nearly 110,000 Americans to assist in rural and urban areas and help disadvantaged citizens. The program today spends about \$12,000 a year to support a full-time VISTA volunteer with their stipend, health care, postservice benefit, and other related costs. That is not inexpensive, but that is what it basically costs to keep a VISTA volunteer in the field.

An inspector general's evaluation in May of this year found that thanks to each VISTA volunteer, the average local programs served 148 additional clients and recruited 38 additional volunteers. The average program gained nearly \$33,000 in cash and in-kind resources through the work of one single VISTA. That is on an average basis.

So the \$12,000 figure may seem like a lot to some, but if that individual volunteer enables the program to serve an additional 148 people, recruiting 38 additional volunteers in the field, and raising this kind of cash in in-kind con-

tributions, it seems like a pretty good investment considering the number of problems we are facing.

No different is the conclusion on the Older American volunteer programs—12,000 Senior Companions last year gave 11 million hours of service to the frail elderly in this country. I think we all appreciate the contribution that that makes to our society. That cost taxpayers \$9 a day for those 11 million hours of service. That saved nearly \$2,800 a month per client who, because of these services, avoided nursing home care.

The RSVP Program enlists nearly 436,000 volunteers to assist in 56,200 community organizations at a cost of approximately 50 cents a volunteer. And yet what we are talking with this amendment is eliminating the legislative authority for these programs that are already making a significant contribution.

Now, I wish to state here today—and I hope people will remember what I am about to say—I do not think it makes any sense at all to have a bunch of different Federal Government agencies out running different programs. I think our goal clearly has to be to bring these organizations together as soon as we possibly can in the most efficient way so we do not have the kind of inefficiencies and duplicate programs serving the same citizens in our country.

My concern about trying to rush to that too quickly is that we miss the point. I do not know if anyone can say, as I said yesterday, Mr. President, that these things that we want to work are absolutely going to work.

What I do know, and feel very comfortable in saying to my colleague, is that those VISTA volunteers, those senior companions, those RSVP people work well already and I wish to bring them into the tent on this. But I do not want to abandon them in the process and then discover what we are trying to do really does not meet the goals.

I really say this with great respect for the Senator from Kansas. Her intentions are clearly not to undermine, not to destroy, not to find some circuitous route around what I think there is general agreement on, but there is a fundamental disagreement about the pace and timing and why we need to go in this direction.

I see my colleague from Kansas rising. I do not know how much time I have remaining, but I will be glad to yield.

Mrs. KASSEBAUM. Mr. President, I would be glad to take it off my time because I wish to reemphasize, too, that I am not criticizing VISTA or the RSVP program. I would just like the Senator from Connecticut to see the organizational structure that I would like to change. When you talk about the VISTA program, you not only have it here in its Federal office, but you have regional offices and you have

State offices. All those offices are maintained under 919. So you have this labyrinth of administrative functions.

I think the Senator from Connecticut and I would both agree that we would like greater coordination. I have in my substitute a 2-year phase-in period because I think it does take some time. But I just wanted the Senator to see—

Mr. DODD. I appreciate that.

Mrs. KASSEBAUM. How the structure can look complicated. We find all these offices many times are really duplicating work of other programs, and we have lost the ability to provide the effective delivery system that I think all of us wish to see. It is not to criticize the program. Administrative offices are just a little bit like barnacles on a ship; they just keep growing. If we are not willing to try to find some way to change it, the structure just gets bigger rather than better.

Mr. DODD. I would say if history were any teacher, the Senator from Kansas is absolutely correct. Let me just point out here that the regional offices, by the way, under our bill will be eliminated and State offices, I might add, are highly regarded by those at the local level and work to provide support not only to volunteers but also to programs. But I yield to my colleague.

Mr. KENNEDY. I wish to make sure that the record is complete on this issue. As the Senator from Connecticut and others know, there was a real question about how you bring long established programs into this particular organization and structure.

This point was made and repeated. In response to the attempt to streamline the bureaucracy, we provide an opportunity for the States to fund programs in the ACTION area or the VISTA area. The difficulty is that if they are able to do this and do this well over a period of time, then it will be useful and helpful at the ultimate time to make the final managerial structure.

We get caught on this thing both ways. One, we try to develop a process and system that will permit the States to assume more responsibility in administering these programs and then when we are criticized by saying now you have one at the national level and you have another one at the State level.

We are glad to try to work every possible way to bring this structure and this bureaucracy into focus. But I am not sure that we can accept the fact that when we go to try to reach out, experiment in the administration of it, and then we are criticized for that, I think it is difficult to be willing to accept that just as the ultimate resolution of what we really intend to do in terms in the administration of the program.

I thank the Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent for 1 additional minute.

Mr. President, I just want to conclude the point. Senator NUNN, the Senator from Georgia, is not with us because he is chairing a hearing, but he has made the point that I certainly have made on a number of occasions how this effort ought to be grounded as much as possible and as soon as possible at the community level.

In fact the Senator from Minnesota is on the floor again. He said it yesterday, may have repeated it again today, but I consider the most important word in the title of this bill is "community," like he does. One of the things we try to do here is focus on community-based organizations, and clearly everything we can do to facilitate that is essential.

On the question of how we bring these organizations together, the question is, How fast can we do it. I would love to see us do it in 2 years. I do not know if we can, but first we must get to that point where we are more grounded. We can, at this point, cut out administrative costs like regional offices which are no longer needed and then work to move in that direction.

Whether we are talking about 2 years, longer or shorter even, but my commitment to this idea is still the same. I think it is important that we know when we are talking about the bill rather than the substitute, that is the desire of the authors of the major bill here to get there as soon as possible—in an efficient and thoughtful way so that we serve the needed constituencies in this country.

Again, with all due respect to my colleague on the committee, I respectfully urge rejection of the substitute, and thank the Senator from Pennsylvania for the time, and my colleagues for their patience in listening to these arguments.

I yield the floor.

Mr. WOFFORD. I yield 10 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. DURENBERGER. Mr. President, I appreciate my colleague from Pennsylvania yielding to me.

I rise to oppose the substitute amendment offered by my distinguished colleague from Kansas, and I do that reluctantly as many of us who have worked with the Senator from Kansas because of our respect for the leadership that she has provided on so many issues. And that certainly does include both national and community service issues.

I also do agree with some of the concerns that she has expressed in her statement which are also expressed in her amendment.

It is clear as I listen to her arguments that she has some fundamental philosophical differences, as do many

people I have known, with the President's proposal. And some of those philosophical differences are probably never going to be resolved. At least they will not get resolved in the context of this particular debate.

The whole debate over charts, for example, I served many years in St. Paul, MN, on the Admissions and Allocations Committee on the United Way. I must tell you, I could dazzle you with charts involving the relationships between voluntary associations in any one of our communities, whether it is Wichita, St. Paul, or whatever it is, and I am sure that any of us who come out of the business community could throw up a chart that would look a lot simpler than the one that actually exists in our community. But in many cases that is the nature of the community service, that is the nature of voluntarism, that is the nature of being flexible enough to respond to a wide variety of needs.

I was also thinking as my colleague made her presentation, if I could get a chart in HUD, or HHS, or somebody like that, where we used the other hat we all wear around here, the sort of give it to the Government and have the Government respond to people's needs. We could take one little agency inside HHS and we could throw up a variety of charts that anyone or the other of us might be able to improve on.

So I begin by saying there will be legitimate differences between people here, some of which are philosophical, some of which just come from the way we would do it if we were putting all of this together which we may never be able to resolve.

So there are many different aspects to national and community service, and it is the inevitable that people of goodwill are not going to agree and they all require the same kind of Government program, they all require the same kind of taxpayer support that the President has recommended.

In some cases, supporters of the President's proposal I would suggest have done a less than an adequate job of documenting the positive outcomes that we are already seeing from many of these same programs. In other words, I suppose we could have preceded this with a much better selling job that would have had the ground swell of community support for each of these. I know the ground swell is there. I know the community support is there because I live with it in Minnesota every day. But maybe on a national scale, somehow we have not been able to document that as well as we should.

I guess in some cases the program may have been oversold. I recall cringing every time I heard President Clinton talk about how we are going to have all of these college students come out and be cops for 2 years or something like that, or some of the other of my colleagues talking about this is a

substitute for the draft, or for military service, or was not it great when we all had to spend 2 years in the service of our country.

So I begin my comments in opposition to this amendment by saying maybe in some cases we have undersold and in some cases we have oversold this proposal.

That is really the reason, Mr. President, why yesterday in my opening statement I tried to do some defining of outcomes that I believe the President's proposal should be focused on. I also tried to point out some of the goals that have been stated by others that I do not believe are legitimate goals for passing this legislation.

I agree with my colleague from Kansas, for example, that national and community service should not be a large-scale financial access program for higher education. Yet, I would agree that most of the people in this body who are going to have to come down here and vote on this amendment and on successive amendments think that is a large part of what all of this is about.

I also agree that we should not make the program as big as the President originally proposed because we need to know more about the role that education benefits can play in attracting young people to service. There is a lot to learn about the relationship between what young people do in school and what they are doing in college right now that is a voluntary service to their community and the potential for taking that and developing it into community leadership through the kind of program which the President is presenting.

And is the \$20,000 stipend the right way to go, or is there some other way in which we could link up the volunteer service that goes on in the college campuses, between the town, right now, with the stipend program? I think this is something we have to learn about and we ought to expand on.

I think that there is much to learn about the roles that benefits, the stipend benefits we are talking about here, could play in encouraging young people to continue their education once their term of service has been completed.

The term of service is part of the education, in effect. It is not someplace you go to pay off your student loan. It is part of your continuing education. It is learning something you cannot learn in college, for example, part of it being the value of the spirit of leadership. And it may well be that after this period of time and this investment of time these people will go back into the formal process of more education. But we do not know. We do not know exactly how to structure it to encourage that.

I would agree with my colleague from Kansas. We need to examine the large

number of stipend service programs that we now have. They are very, very good programs we all agree. But it does not hurt to analyze them, and then decide how they relate to each other and to the new national community service program authorized in the legislation.

And having said that, I agree with many of her concerns.

I must also say that I believe firmly that within the context of the President's proposal we can accomplish these same objectives.

Instead, I believe the place to exercise that kind of discipline is in limiting growth in appropriations. We have been doing that for 3 years now with the National Commission on National and Community Service. We have used the limitation on the appropriations as a way to improve the process.

I think we can exercise some discipline in targeting stipended service programs on those who can benefit the most, and in requiring the new corporation to ask and address a series of how to and what if questions during its first 2 or 3 years of operation. But I believe that can be done within the context of the current legislation.

If presented in the spirit of doing this whole thing right, I do not believe the administration will oppose that kind of careful launching of this important new initiative. The last thing we need is a new Federal program that grows faster than we can afford and faster than it can be properly administered.

I also agree with Senator KASSEBAUM that, to the maximum degree possible, decisions about spending priorities should be made at the State level. I appreciate the comments of my colleague from Connecticut about the addition of "Community," the "National and Community Service."

There are a variety of commissions in this—50 at the State level—but that is because the emphasis on community service and on national service should be moving back to the State level, where you can have strong involvement of local communities as relates to the programs they are designed to serve.

I agree that States should have the maximum possible discretion in deciding how to structure the commission that they establish.

So in response to these kinds of concerns, a number of changes designed to increase the authority and flexibility given States have already been incorporated in this legislation. For example, States are given the authority to designate existing agencies as their commissions on national and community service—as long as those agencies are representative of the various perspectives on youth and community service in that State, and as long as the basic intent of the legislation is not compromised.

My State is an example where the legislature created a new youth and

community service program called Youthworks, with its own grantmaking task force. I have consulted with Minnesota officials on their ability to adapt its Youthworks board to meet the requirements for a State commission. And I believe that the changes we have previously made will make it possible for Minnesota to comply.

I also agree with my colleague from Kansas that it makes sense to minimize duplication and maximize cooperation between existing State ACTION offices and the new State commissions authorized by the President's proposal.

Areas in which this kind of cooperation may make sense include community needs assessment, volunteer recruitment and placement, training, grant oversight, research and evaluation, and awards and recognition.

The need for State-level cooperation is most applicable for the VISTA Program, which has many of the same objectives as other national and community service programs authorized and funded in the President's proposal. I am not sure the same arguments hold for the ACTION programs that primarily involve seniors, however.

That is one reason I do not believe it is wise to make the kind of dramatic changes in the bill that Senator KASSEBAUM has recommended in the funding or administration of ACTION programs in the legislation Congress adopts this year.

So rather than adopting a wholesale substitute, Mr. President, I believe we would be wise to direct the new Corporation for National and Community Service to review and make recommendations to the Congress on several of the issues raised by our colleague from Kansas.

I will enumerate those that I suggest we deal with, and we ought to be able to do it by amendment.

First, to determine whether some or all functions now provided by State ACTION offices could or should be added to the responsibilities of the State commissions on national and community service that are authorized by the President's proposal.

Second, to compare the impact of various combinations of stipends and educational benefits—and the full-, part-time, and nonstipended service learning—on the recruitments of national service participants and on the educational and other outcomes of participating in a service program.

Third, to evaluate the impact of targeting service opportunities on lower income and at-risk young people, as compared to the value of including a more diverse group of young people in service programs.

Fourth, to determine the value of maintaining nationally organized and funded programs versus bringing existing national service programs under the funding authority of State commis-

sions; and to assess the value of having volunteer and service programs that serve both younger and older Americans under the same umbrella agencies—either Federal or State.

Finally, to consider the impact of bringing ACTION's senior programs under the new Corporation for National and Community Service on their identity, priority, and opportunity for future growth; and to weigh the pros and cons of shifting oversight of senior volunteer programs to a different Federal oversight agency that focuses more on senior programs.

Let me repeat that my suggestion that these issues be explored does not represent criticism or lack of support for existing ACTION programs.

In fact, they are intended to make sure that ACTION programs—especially the senior volunteer programs—remain strong, viable, and highly visible in the communities they serve as we launch a new national service initiative that is primarily focused on children and young people.

Fortunately, Mr. President, I believe the kind of total substitute being proposed by Senator KASSEBAUM is not needed to accomplish the thorough review of the organizational and funding issues she has very properly raised.

I believe these issues can be given the thorough review they deserve within the basic outlines of the legislation that the President has put before us.

I am comfortable we can do that, Mr. President, by insisting that the Corporation spend some part of its energies in the next several years exploring the issues I have just outlined.

And, I also believe it would be wise to limit growth in the size and cost of this program until these fundamental questions are asked and answered.

Let me conclude, Mr. President, by predicting that slow and careful growth in national and community service programs will demonstrate their value to both the young people who participate and to the communities they serve.

That is why, even though I must oppose this substitute amendment, I will insist that the underlying issues raised by the substitute be addressed. We owe the taxpayers—and the young people who long to serve this Nation—nothing less.

Thank you, Mr. President. I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I would like to yield to the Senator from South Carolina 10 minutes, or whatever time he may need.

Mr. THURMOND. Mr. President, I rise today as a cosponsor of the amendment offered by the distinguished Senator from Kansas [Mrs. KASSEBAUM]. I strongly support the concept of national and community service. We all

must encourage and promote the spirit of service to others. Voluntarism should not be limited only to times of great tragedy or disaster. It should be seen as a daily component of good citizenship. However, I am concerned that S. 919 in its current form, does not encourage voluntarism in the most effective way.

Mr. President, the deficit is one of the most important problems facing our country today. I am concerned that in this time of scarce Federal resources, we are contemplating spending in excess of \$7 billion over the next 4 years on this measure. This amendment will help to ensure that this program is tested and effective before we allocate this amount of resources.

I believe the Corporation for National and Community Service should be used to streamline the method of allocation of Federal funds for national and domestic volunteer service. However, I am concerned that the administration's proposal would create another bureaucratic structure that will not allow the flexibility needed to best identify local community concerns. The amendment offered by the distinguished Senator from Kansas would streamline the structure of the Corporation by bringing all appropriate Federal national service and domestic volunteer type programs under the Corporation.

Under this amendment, the Corporation would serve as a pass-through mechanism which will allocate substantial funds for national service and domestic volunteer services to State commissions where community needs are better identified and resources allocated. This amendment would allow the Corporation to build on existing programs and to look to States for their leadership in creating and administering these programs. In its current form, S. 919 would simply leave all of the Federal, national, and domestic volunteer programs in place and add another umbrella of administrative bureaucracy above them.

Mr. President, I am also concerned with the use of limited educational funds as a part of national service. Approximately half of the cost of S. 919 is allocated for educational benefits. Consequently the administration's proposal could directly compete with existing education programs for Federal funding. We must question whether loan forgiveness plans and educational awards will have a desirable impact on national service participation.

The Kassebaum amendment would set aside funds and mandate the Corporation to conduct demonstrations on various education programs as a part of national service. This will allow Congress the necessary time to determine if educational assistance is a necessary element in successful national service programs. This will also allow Congress time to review the amounts

allocated for educational purposes and determine the optimal level of benefits.

Mr. President, there is a need for community service in areas such as child care, teaching, hospitals, environmental conservation, help for the elderly, and many others. However, I am concerned that S. 919 may not promote the kind of voluntarism in which all Americans can participate. S. 919 appears to be reserved for the very young, the very old, or a privileged few who are able to devote the majority of their time to being a paid volunteer.

This amendment seeks to allow all Americans to participate. For example, it will allow individuals receiving Government assistance to choose between receiving the living allowance provided by the amendment or a cash allowance of \$250 per month above their Government assistance. S. 919 does not include a similar provision or provide for such a choice. It will also provide more flexibility for senior programs by eliminating categorical funding and allowing States to decide which programs best meet their needs.

Again, Mr. President, I strongly support the concept of national service. The amendment offered by Senator KASSEBAUM deals with this issue in a constructive manner by adding flexibility and streamlining the funding mechanism. Therefore, I urge my colleagues to support this amendment.

I commend the able Senator from Kansas for offering this amendment, which I think is best for the country.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I yield whatever time is required to the Senator from Mississippi [Mr. COCHRAN].

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Kansas for yielding time to me.

I first want to congratulate her for her leadership on this issue and in offering this substitute for consideration by the Senate.

I am pleased to be a cosponsor of the Kassebaum substitute. I am supporting this alternative for a number of reasons, one of which is a very important philosophical difference in the approach of the substitute as compared with the committee bill.

The committee bill creates a brand new Federal agency to administer a national service program, while the substitute creates a corporation for handling the allocation of funds under the bill. It looks to States and to localities around the country to determine what kinds of programs and activities—at

the local level—should receive funds under this bill.

Rather than having a nationalized program of community service, the Kassebaum substitute encourages the States to develop their own assessment of priorities and needs to determine which persons are better suited to provide services and to fulfill those needs. Under this program, the Federal Government allocates the funds to the States and lets them spend the money. It allocates 50 percent directly to the States. Another 30 percent would be made available on a competitive bid basis through grants to the States where the Federal Government would select the best ideas that it sees in this competitive bid process. The remaining 20 percent would actually be made available directly from the Federal Government to grantee recipients.

To me, this is an important philosophical difference. I frankly think that decisions can just as well be made—if not in many cases better—by local officials, who provide the means of administering the program at the local level, rather than people in Washington. I am not criticizing any Washington agency or department. I am sure we have a lot of committed and conscientious people in the Washington Government who are doing an excellent job. But keep in mind that the first-year appropriation is authorized at \$400 million and most of that will be spent on overhead costs in Washington.

In a program this size I suggest it could more efficiently be used if it is allocated the way the Kassebaum substitute suggests.

Let me say another word about why I am supporting the substitute. It is a more restrained—and a more incremental—approach to the development of a program for national service. I think that is an important factor to consider, rather than jumping in and committing ourselves to a big new program that will automatically escalate costs and result in uncontrollable expenses.

When people find out how much money is available in this program in the outyears, they will be shocked to see the total bill we have run up at a time when the national leadership talks about cutting spending and reducing the deficit. Here we are adding a big expensive new program to many of the programs that we already have in which we are trying to restrain growth. We are talking about cutting back entitlements, but the budget just grows by itself under this bill without our effectively controlling it. If we adopt this bill, it's more of the same.

The Kassebaum substitute, on the other hand, is more restrained. The initial startup cost is \$100 million, rather than \$400 million, as in the committee bill. That is a big sum of money.

But I think it is an important part of the overall goal to encourage national service to show students in school and

college now that it is very important to contribute time, effort, and energy to solve community problems, and to make available time to help people deal with real problems that they face back in our communities and States each day.

A number of worthwhile organizations are doing this on a full-time basis, and many Senators are involved. Many are aware of the Habitat for Humanity Program. Many have participated in the Peace Corps Program. Many are engaged in civic organizations that spend a lot of time and effort dealing with local needs and providing activities and voluntary services to help meet these needs back in States and in hometowns.

That kind of community service should be encouraged, and that is why I am supporting the Kassebaum amendment. I am not just saying "no" to anything. I think it is appropriate that we take the positive step in this direction at the national level.

A few years ago, for example, I supported along with the Senator from Kansas, a bill that dealt with local volunteer service. That legislation was enacted. President Bush provided a lot of the leadership at the national level to move us in that direction, to make us more aware of the importance of volunteer service. In my State of Mississippi, we were selected as a recipient of one of the demonstration project grants under that legislation. Today we have the Delta Service Corps, which operates in a way that helps people realize how important it is to be a good neighbor, to care for the concerns and the problems of others in the community who are unable to provide for all of their own needs.

Whether you are talking about housing, nutrition, or health-care assistance of one kind or another, there are a number of ways that we have now in the United States for people to participate and to provide volunteer services, and to be compensated—under certain programs—for encouraging others to do the same.

Let me just say that I hope the Senate approaches this subject with some restraint and some realism about what our financial capabilities are right now.

We are trying to deal with these budget problems. Since the recommendations for new taxes are coming out and our committees are meeting to decide how many of these new taxes are going to be imposed, it is apparently not a question any longer of whether we are going to have additional taxes at the Federal level, but how much, what character, and what kind.

I think the American people are tired of paying a lot of taxes for new, and experimental programs. Let us try to make the programs that we have work first. Instead of jumping in with a huge

new spending program such as this committee bill recommends, let us try the more restrained and incremental approach as proposed in the Kassebaum substitute.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. WOFFORD. Mr. President, I yield 7 minutes to the Senator from Ohio, who has given this Nation great national service for many years.

Mr. GLENN. I thank my distinguished colleague very, very much.

Mr. President, I wanted to discuss some of the structural problems with the amendment in the nature of a substitute offered by my colleague from Kansas.

Let me say this. The Senator from Kansas and I worked together years ago when I was on the Foreign Relations Committee. I must say there is no one in this whole Chamber that I respect more than I do her. She does not take legislation lightly. She is not frivolous in her approaches to things and thinks them all through. So I very much dislike having to stand up and come down on the side opposite her proposal for an amendment.

But before I make comments along that line, I would like to explain the involvement I and my staff have had with the Labor Committee bill, S. 919. The Governmental Affairs Committee, which I chair, has been working very closely with the Labor Committee staff to strengthen its provisions for accountability—for accountability. That is what the distinguished Senator from Mississippi was just addressing was accountability, making sure that every taxpayer dollar gets spent as it is intended to be spent, that we get the best bang out of every buck that goes out there.

Through the cooperative efforts back and forth between the staffs and between the Governmental Affairs Committee and the Labor Committee, I think we have clarified the very clear delineation of authority problem between the president of the corporation and the board of directors, as proposed in that legislation. We also established merit guidelines for the personnel system. We have also solidified the authority of the GAO to audit, and we have emphasized the requirement for a chief financial officer. I think those are very important matters to bring up. At the appropriate time, I will have an amendment that will further strengthen this.

I believe Senator KENNEDY and Senator WOFFORD understand it and are set to accept it if we bring it up a little bit later, which I will do. I will not address it right now and give all the pros and cons of it. But what we do is try to clarify some of these things. We try to strengthen accountability. And the amendment that I will offer later to S. 919 adds additional safeguards for the funds appropriated.

So I am very familiar with the provisions of S. 919 to try to proactively avoid—in other words, to try to see the pitfalls in advance and avoid the fraud and waste and abuse that too often steps in and takes over in new programs. In other words, we want to build this fiscal responsibility. And with the amendment, which I will detail at the appropriate time, I am comfortable that S. 919 goes a long way toward avoiding problems that we have had in some other Government agencies.

Now let me comment directly on the areas of concern with regard to the substitute amendment by the distinguished Senator from Kansas. I would say, for example, that the director of the corporation in this amendment reviews and approves grants, hires all personnel, and sits on the board of directors, which is supposed to review the plan for grant and personnel. It consolidates a great deal of authority in one person. In other words, the checks and balances are probably less than I think they should be.

Next, there is the management structure in the amendment. The director has the exclusive authority to devise a management structure and appoint personnel without the approval of the Office of Personnel Management. The substitute amendment does not create a chief financial officer. I believe a CFO is vital to ensure fiscal accountability by producing auditable financial statements.

Mr. President, I think a couple of success stories in accountability in Government that we have introduced in the last few years are ones I will point out here only briefly, and they involve the inspector general and chief financial officer proposal that we have now in law. The IG act was put in some 12 years ago and was it an experiment. There were just a few agencies of Government involved. It was so successful that about 3 years ago, I expanded that legislation to where we now have some 61 different agencies or Departments of Government covered under the IG Act. They are doing a great job basically, I believe, in ferreting out some of the fat, fraud, waste, and abuse in Government.

In fact, back a couple of years ago, the last time we had full accounting of this, the IG's had successfully prosecuted over 6,200 cases and gotten back almost \$1 billion for our Government—\$1 billion that was returned to the taxpayers, returned to the Treasury. So it is one of the success stories in Government.

Now, along with that, we have just coming into effect now the Chief Financial Officer Act that says that the chief financial officer may audit and give a statement at the end of every year for how the money was spent—was it proper, was it properly used, was the

money wasted—and give us an assessment of whether the agencies or Departments of Government are actually carrying out the purposes for which that money was appropriated.

Now, those are two very big steps in the right direction, and we are beginning to get very good response from that.

That is the reason I say that when the substitute amendment does not create a chief financial officer in this department, I think that is something that is just very necessary to producing auditable financial statements.

There is no provision in the substitute amendment for GAO or inspector general access to grantee records in order to allow them to be audited. The amendment allows unlimited funds to be transferred to another agency.

I know it has been proposed that that may be a plus. I see that as a danger area. In fact, the provision may violate appropriation law. I do not know, but that is something we would have to look at.

There are no provisions made in this amendment for apparent actions on employees, such as a RIF, reduction in force, or procedures which are required by civil service law. They are just not mentioned.

The amendment does not incorporate some of the civil service protection. I am not sure it gives full civil service protection, what we normally expect. And I realize these are not straight civil service jobs because some of those protections might be in order.

So it does not amend the Inspector General Act appropriately, and that is one thing that I mentioned a moment ago. The IG and the CFO part of this, I think, are very, very important.

The PRESIDING OFFICER. The Senator's 7 minutes have expired.

Mr. KENNEDY. How much time remains, Mr. President?

The PRESIDING OFFICER. Eighteen minutes and 20 seconds.

Mr. GLENN. May I have 1 additional minute?

Mr. KENNEDY. Yes, I yield 1 additional minute to the Senator.

Mr. GLENN. Mr. President, many of these issues have been specifically addressed and remedied in S. 919. At the appropriate time, as I indicated, I will have an amendment that I believe the floor manager is willing to accept—I believe it has been cleared on both sides—on this area of good Government, good management. And with my amendment, I think it will go a long way toward guaranteeing accountability in this very, very important legislation.

So, I say again, I regret very much having to oppose the distinguished Senator from Kansas. We worked together on many things in the past. I hate very much to oppose her on this, but, for all the reasons I just detailed here, I am sorry I have to do so and

would urge my colleagues to vote against the Kassebaum amendment.

I yield back whatever time I have remaining.

The PRESIDING OFFICER (Mr. BREAUX). Who yields time?

Mr. WOFFORD. I yield 2 minutes to the Senator from Rhode Island.

Mr. PELL. Mr. President, I regretfully must oppose the Kassebaum substitute. Particularly, I do not believe stipends should be reduced to \$1,500. The \$5,000 educational benefit in the administration's proposal mirrors the proposal contained in my own voluntary service legislation, which I originally introduced in 1987.

I viewed the \$5,000 educational benefit then and now as adequate reward for successful completion of community service. To reduce it by as much as 70 percent would substantially diminish the incentive for individuals to undertake community service. Given the escalating costs of a college education, I think the educational benefit must be substantially greater than the \$1,500 contained in the substitute. Basically, a drastic reduction in the educational benefit would fundamentally alter the nature of the National Service Program and could undermine its potential for success.

I understand that the Senator from Kansas is concerned that the \$5,000 educational benefit may result in some schools increasing their tuition. Senator KENNEDY has indicated his willingness to work to make sure this does not occur. And I agree with him. I assure our colleagues that we will monitor the situation carefully, and we will work to make sure that Senator KASSEBAUM's justifiable concerns do not become a reality.

I hope, therefore, that my colleagues will join me in opposing the amendment under consideration.

Mr. WOFFORD. Mr. President, I yield 4 minutes to the Senator from West Virginia, a former Peace Corps staff director and VISTA volunteer; the only VISTA volunteer in the Senate of the United States.

Mr. ROCKEFELLER. I thank my dear colleague from Pennsylvania. If I started to talk about what he has done for his country, my 4 minutes would be gone.

Mr. President, I rise, respectfully, to oppose the Kassebaum amendment. And I do so because I have profound respect for her, knowing that her own daughter served in the Peace Corps and she is a woman of incredible moral depth and sensitivity.

It is very hard to speak about VISTA without saying two things. One is that it changed my life. I would not be here—which might be welcome to some, but not to me—if it were not for VISTA. My whole life was to be doing something else—to be in the Foreign Service, do Japanese and Chinese—and then President John F. Kennedy's call

went out to do something for your country. In the early sixties, at a time when youth were disposed to listen to that, our country was idealistic, people wanted to do good things. And I went to West Virginia for 1 year as a VISTA volunteer. I saw that I could not make any difference in 1 year and stayed on for a second year. It was in a very small but wonderful coal mining camp in the southern part of West Virginia by the name of Emmons.

Those people there, who are my beloved friends to this day, changed my life forever. VISTA has a power to move young people and middle-aged people and older people, to change their lives unlike anything I have ever seen. I can only say that because it changed my own life forever. It totally changed the direction of everything I was doing.

Second, I think VISTA, as an enormously proud symbol of what is the very best about our country, of service, of reaching out to others, of selflessness, of trying to help, as they used to say, "to make a difference", needs to be a national program. It needs to be seen, visible, and distinctly.

I think it is a beacon. VISTA, it means Volunteers in Service to America. It is a great phrase. It is a marvelous program. It is something which changed my life in absolute and fundamental ways. And I hope we could keep it visible, we could keep it national. And, as I say, with the deepest respect for my colleague from Kansas, I hope her amendment would not prevail.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Is the Senator from Massachusetts seeking time?

Mr. KENNEDY. We would like to reserve the remainder of our time if we could. Senator NUNN is on his way over. I believe we have, what, 16 minutes left, is that correct?

The PRESIDING OFFICER. The Senator controls 12½ minutes.

Mrs. KASSEBAUM. Mr. President, I ask how much time have I remaining?

The PRESIDING OFFICER. The Senator from Kansas has 30½ minutes.

Mrs. KASSEBAUM. Mr. President, there were some statements made, I think particularly by the Senator from Oklahoma [Mr. BOREN] in his very eloquent appeal for this initiative, to the effect that young people are giving up a year of their lives. Yes, in many ways that is true. But I would point out, Mr. President, while they are doing so they are also receiving about \$13,000. This includes health benefits, plus child care.

On top of that then comes, at the end of the service, either the education benefit or a bonus for their own use. So it is not, as I think many people believe it to be, a year just given. I think we all understand that is something that really should not be feasible. But

I believe it is a little misleading, and I think it is important to point that out.

Also, it should be pointed out this program will be open to anyone over, approximately, the age of 17. There is some qualification on that, even. It would be hoped that everybody would have, at that point, a high school degree or a GED. The program is open to anyone up to the age of 80, if they so desire. So it is a very open-ended program of support. I think that is important to clarify, as we have before in the debate, that it is not necessarily giving of one's time. There is some reimbursement for that time.

Those who are working for minimum wage and have no health benefits would view the full-time service package quite a significant benefit.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. WOFFORD. I yield the Senator from Georgia 8 minutes.

The PRESIDING OFFICER. How much time is yielded?

Mr. WOFFORD. How much time do we have left, Mr. President?

The PRESIDING OFFICER. The Senator has 12 minutes and 15 seconds.

Mr. KENNEDY. I understand the Senator from Louisiana wants to speak. Is 8 minutes satisfactory?

Mr. NUNN. I will make it 8 minutes.

Mr. KENNEDY. I thank the Senator.

Mr. NUNN. Mr. President, I thank the Senator from Massachusetts and Senator from Pennsylvania. I thank them most of all for their leadership on this most important issue.

Mr. President, I rise today in strong support of S. 919, the national service Trust Fund Act of 1993.

Like several of my colleagues, including Senator MIKULSKI, Senator KENNEDY, Senator ROBB, and Senator WOFFORD, I have been looking forward to this occasion for many years.

We are finally able to debate a full-fledged commitment to national service in large part because President Bill Clinton has placed this issue on the front burner and stubbornly kept it there despite the many competing priorities and distractions of his first year in office. I think it is appropriate to acknowledge the special contributions of the Democratic Leadership Council—which the Chair has been involved in for years—which launched the debate on this issue back in 1988, and the White House Office of national service headed by Eli Segal.

I want to express my appreciation to Senator KENNEDY and the Labor and Human Resources Committee for their quick action and careful consideration of this bill. I particularly want to thank the Senator from Pennsylvania, who has been a leader in this area for years. That was the first subject I ever talked to him about when he came to the Senate. I am very grateful for his leadership.

I also want to thank Senators DURENBERGER, JEFFORDS, SPECTER, and CHAFEE for making this a bipartisan initiative, at a time when partisan pressures in this body are unusually powerful. I personally believe that national service merits bipartisan support more than any other domestic initiative on the horizon. It is not a liberal concept or a conservative concept. It attracts instinctive and almost universal support from those in the center, and from the American people at large.

Much of the criticism I have heard about the President's proposal and S. 919 remind me of the old story about the group of blind men trying to describe an elephant. Each perceives the entire animal as what he can wrap his arms around. One man feels the trunk, and says the elephant is much like a snake. Another feels a leg, and says the elephant is like a towering tree. Still another feels the ear, and believes the elephant is like a palm leaf.

Some perceive national service as simply a means of financing college educations, and they continuously talk about the number of Pell grants we could fund if we mechanically transferred the appropriations authorized in S. 919 to existing student aid programs.

Others perceive national service as a way to address social needs, and they cannot understand why we do not spend the same money on traditional social programs.

Still others think of national service as a method of intervening in the lives of at-risk young people, and feel strongly our efforts should be limited to those most in need, while their counterparts on the other side of the elephant think national service should promote voluntarism, and feel strongly we should not taint service by offering any benefits, even to those who have no way to live without a modest wage.

If you look at the amendments that are being offered to S. 919—and I certainly would exempt the concerns of the Senator from Kansas about the bureaucracy from this discussion because I think all of us are with her in her goal of trying to streamline these programs at the appropriate time, so I do not in any way criticize that effort although I will not be supporting the Kassebaum amendment for other reasons—but if you look at this overall concern that various people are expressing, and you take each one of them individually, they make a pretty good case.

But if you add them all up, what they are really saying is that we have several parts of this bill and we ourselves are only directing our criticism at one part and weighing one part of the benefits spawned from national service against the social program or against an educational program or against some other way of volunteering. What these amendments reflect, and what

most of the criticism reflects, is a lack of understanding of the overall shape of national service.

The case for this legislation depends on understanding that it offers a triple investment in the future productive capacity of our young people and our communities: The service performed, No. 1; the service experience, No. 2; and the postservice benefit, No. 3. You have to look at the whole elephant here, if you are going to have a grasp of national service.

I know that the word investment has been much abused in debate on the Senate floor in recent years, and for some it is just a code-word for Government spending. We must not, however, become so cynical that we cannot see a real investment with a real payoff when it is staring us in the face.

If we do not realistically look at the return on investment we should expect from a national service program, and prepare to measure it carefully as the initiative develops, then the current debate over the cost of this program is almost meaningless.

I would ask those Senators who complain that we cannot afford national service to answer just one question: Was the GI bill a wasteful expenditure? If we could go back to the 1940's and redo history in light of what we know now, would you oppose the GI bill as just another tax-and-spend gimmick?

I think not. I think that program, and all the benefits that flowed out of that, in terms of educating our young people, has been one of the keys to the productivity rates that we had in the 1950's and 1960's and early 1970's, which we all wish we could regain today economically.

I doubt very many Senators would answer that question affirmatively, because we all recognize the GI bill as one of the shrewdest investments this country has ever made—lifting a large segment of the population into the ranks of the college educated, the people who got skills training who did not go to college, and fueling one of the longest periods of sustained economic growth in our history.

When compared to S. 919, the GI bill was unbelievably expensive, costing about 1 percent of our gross national product, or 60 billion current dollars. Furthermore, and again unlike S. 919, the GI bill was not a triple investment in the service performed, the service experience, and the postservice benefit. The service had already been performed during the war before the GI bill was ever enacted, so the payoff on our Nation's investment was limited to the impact of the higher education benefits offered retroactively for service in the military.

It is difficult to comprehend how anyone could believe it made sense to invest \$60 billion in higher education benefits linked to prior service in the 1940's, but it is wasteful to consider investing \$389 million in the 1990's for

benefits linked to service in the future, when we will enjoy the full benefits of that service as an offset to the cost.

I doubt any Senator would argue that we do not need to take a fresh look at how Americans pay for higher education and job training. The cost of college is once again outstripping the financial means of many lower- and middle-income families. Many students who do manage to get through college are strapped with enormous loan indebtedness, and in many cases, they wind up strapping the taxpayers with the cost of defaulted loans, and in many other cases, the schools themselves are to blame.

Meanwhile, we continue to bemoan the shortage of skilled labor we anticipate as our work places adjust to the demands of a knowledge-and-information based global economy. Yet we do little or nothing to offer the forgotten half of our young people who do not go to college any realistic way to earn or otherwise obtain training in the advanced skills they will need in the next century.

National service will directly attack both those critical needs, by allowing young people to earn cash benefits for college or job training, whether they perform the service first, study and serve part time, or get their education and pay off their loan through service. To those Senators who are exclusively focused on the impact of S. 919 on student aid, and who dismiss or ignore the value of the service performed and the value of the service experience, I strongly urge you to think about the long-range positive effect of linking education benefits to service.

I know others will not share my view on this, but having conducted two major investigations of the Student Loan Program, having been one of the leaders in recommending reform in that program, and having now an investigation going on into some of the problems in the Pell Grant Program, I think we all need to search our minds and look at the facts as to how we are going to deliver Federal help for our young people in the future. I believe that national service may end up serving as the gatekeeper for eligibility for other student loans.

There can be no doubt that the American people will give greater support to a student aid system in which the recipient earns his or her benefits, than to the current alternatives of a limited entitlement for the few, and an unlimited public liability for loans for the many.

Although it is possible to justify the expenditures called for in S. 919 purely as the beginning of a reform of the student aid system and as a spur to upward mobility, that's only part of the offsetting benefits we can expect from a program of national service.

The value of the service provided by participants to their communities is

difficult to quantify, but it is undoubtedly very real.

A study of 100,000 young people enrolled in Germany's national service program, where participants typically work in the health care system, showed an average net value per server of \$24,000 per year—that is after the benefits were paid.

In my own State of Georgia, the State is running a full-time rural demonstration program called the Georgia Peach Corps, which is one of eight demonstration programs authorized by the National and Community Service Act of 1990. The communities in which the Peach Corps operates recently asked each project sponsor to carefully measure the costs saved by utilizing national service participants in the areas of education, health care, and public works. During a period from February 1 until May 31 of this year, Peach Corps members performed 17,066 hours of service valued at \$79,517. That works out to \$4.66 per hour, which is respectable considering the stipend they are paid is the minimum wage of \$4.25 per hour.

By pushing decisions about types of service down to the local level, S. 919 holds down the cost of administering national service. At the same time, the local decisionmaking process helps individual groups of volunteers focus on projects that are of the most immediate and tangible value to their own communities. Along with the quality-control oversight exercised by the national corporation and the State commissions, I am hopeful that this legislation strikes the right balance necessary to produce real work of real value. That will be critical to the success of national service in achieving a strong payback for the taxpayers' dollar.

Aside from the value of the postservice educational benefit, and the value of the service itself, another offset to the cost of S. 919 is the effect service will have on those who serve.

At a time when our people are increasingly isolated from each other by race and economics—locked in suburban enclaves, remote rural areas, and inner cities—national service can offer a unique method of bridging gaps between Americans and building a common ethic of citizenship.

Participants from disadvantaged backgrounds could gain self-esteem, basic work and life-survival habits, not to mention real options for getting ahead in life. Participants from more comfortable backgrounds can overcome stereotypes about economic class and race, and can learn directly about the mutual dependence and common aspirations of all Americans.

Senior participants can bridge the generation gap, combining the wisdom of the old with the energy of the young.

Now that service in the military is no longer a commonly expected feature

of life, we are beginning to realize how much we have lost as a society when there is no generally available opportunity to work and learn with fellow citizens from diverse backgrounds. National service can help bridge that crucial gap.

Anyone who does not believe this service learning experience is of real and tangible value has obviously never visited a national service program like the Georgia Peach Corps. Spending a year of service changes your perceptions, your ambitions, and your ability to understand the needs and talents of others. A young person who spends much of his or her time watching television and pursuing private interests in a narrow group of friends or family cannot but help be changed for the better by a year of direct exposure to work and to the needs of the broader community. This kind of opportunity is very valuable at this particular time in our history.

I hope each Senator will remember the importance of attracting a diverse group of national service participants when voting on amendments to S. 919 that purport to cut costs by reducing or eliminating the living stipend or the postservice benefit. If you make national service an economically impossible proposition for those who must earn a living, then you will not have a national service program at all—you will have a volunteer program for the middle and upper classes, which would have some value, but nothing like a full-fledged program.

It is no coincidence that the Labor Committee, with the concurrence of the White House, has decided to specify appropriations for nothing more than the first fiscal year of this program. Instead of precommitting Congress to a steady expansion of national service as did the President's original proposal, we are demanding that all the optimistic assumptions of national service advocates be put to the test of performance.

I am second to no one as a supporter of national service, but if we find during the first year of this program that we need to change the structure or change the rules to guarantee a good return on our triple investment, I will be the first to propose it.

This success will depend on national service being a true civic partnership. The Federal Government should challenge States, localities, and the private sector to invest in a variety of national service programs and models. In particular, the private sector must be invited, challenged and encouraged to participate in building national service by investing their resources and their people.

In conclusion, Mr. President, this legislation is not only something America can afford in 1993—it's something we cannot afford to pass up.

S. 919 will produce a triple payback in valuable service to the community,

higher skills and lower debts for our young people, and a much stronger sense that we are all in the American enterprise together, bound by mutual respect and mutual obligation.

In the Peach Corps program in my home State, the participants begin each day with a chant that announces their readiness to "serve, earn and learn." That, Mr. President is the most eloquent summary of S. 919 and its meaning I can offer. I urge all Senators to listen to our young people in their eagerness to serve, earn and learn, and give them this chance.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NUNN. I want to talk about this at length. The most important part of this program is the service rendered to the communities.

If I can have 30 more seconds.

Mr. KENNEDY. Could the Senator from Kansas yield perhaps another 2 minutes to the Senator?

Mrs. KASSEBAUM. I have yielded some of my time in debate back and forth, and I have a couple more speakers who wish to come. I am reluctant to yield.

Mr. NUNN. I will take 10 seconds more. I visited the National Service Summer Program Monday morning in Atlanta and spent some time with those young people. If anyone wants to go to Vidalia or Thomson, GA, or go to Boston and see what City Year is doing, I think this vote today would be unanimous.

Mr. WOFFORD. Mr. President, I want to thank the Senator from Georgia for his strong, clear vision of this. I know this is starting on a smaller scale than he wanted, but this amendment needs to be stopped in order to reduce that 25,000 small start down to 5,000.

Mrs. KASSEBAUM. Mr. President, I would like to yield as much time as he would like to the Republican leader, Senator DOLE.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I thank my colleague for yielding. I want to speak to her amendment in a second, and I want to indicate that I think everybody is for the concept of national service. It had been my hope that we could all come together and have a program everybody could support. I think that is the hope of everybody in this Chamber.

But there are some concerns about this provision. I think it is long on concepts in some areas and short on substance. I never quite understood what the big rush was to pass this measure. It seems like we should have taken more time to try to work out some of the kinks in the program and try to make it work.

These comments are not rooted in obstruction but in experience because I

have worked over the years with a number of my colleagues, on both sides of the aisle, in trying to develop programs to promote national service but we were not successful every time. I think in some cases we were.

I am particularly concerned that we do not start some massive program that we later learn we cannot afford and will not produce the desired results. No matter how well-intentioned, if it does not work, it is going to be a waste of tax dollars and a lot of sincere efforts by not only people in this Chamber but people who participate in the program at the State level.

It is difficult to ensure, in addition to the taxes, the question whether we can better be served in the private sector? It seems to me there are a lot of questions that need to be answered.

I am proud to say that I had a hand in starting a demonstration project to bring back the Civilian Conservation Corps, better known as the CCC. I should note that this project was built on a bipartisan coalition which also included Senators BOREN and WOFFORD. From a practical approach, I believe we did the right thing. You test the concept before you fully implement it to determine how much money you may waste, how the program is going to work.

A year has gone by since that program was implemented, and the results are just coming in. I am advised they are fairly impressive. We ought to be using some of this data to prevent mistakes in the future.

It would seem to me that is one strength of the amendment by my colleague from Kansas, Senator KASSEBAUM. I think the President's proposal raises a number of fundamental questions that must be addressed. All Americans are not going to be able to participate. It is going to affect less than 1 percent of all students currently enrolled in higher education institutions. Investing the same amount of money in existing Pell grants and college work study programs will enable many more students to have access to higher education by as much as a 20-to-1 ratio.

There is a question of whether or not it is cost-effective. Many experts say "no." For example, cooperative education programs, which help college students pay for school and get a good job after graduation, serve 200,000 students and cost Congress less than \$14 million a year. On the other hand, the fully implemented Clinton proposal would serve 150,000 students and cost more than \$3 billion.

Interestingly enough, the administration's budget tried to zero out cooperative education for fiscal year 1994.

I guess the one question is: Is there a community service deficit? I guess that depends on who you ask. More than 100 million Americans volunteer approximately 4.2 hours per week.

Some of us are going to have amendments. There still may be some way to bring everybody together in this Chamber. I think we all would like to support the President. We all believe in the concept, but I believe in this case there are a number of shortcomings.

Senator KASSEBAUM's amendment would streamline existing Federal service programs. It is 75 percent cheaper than the President's new spending, \$100 million versus \$400 million, and it is less bureaucratic. Her proposal provides a stipend for volunteers after a commitment is met, yet it does not provide a \$5,000 educational award and prevents volunteers from receiving other types of Federal assistance. It may not be the simplest program, but it is a much-needed step in the right direction to find out where we are going to end up before we start investing \$1 billion, \$2 billion, \$3 billion.

I am willing to bet, whatever happens, whether this program is good or bad, if we are standing here 10 years from now, it is probably going to be a \$10 billion, \$15 billion, \$20 billion program. Where does it stop? Once it starts, it is like every other Federal program.

I hope we can slow down, adopt the Kassebaum approach and see what happens after a demonstration project.

Mr. President, I would like to talk for a moment on the concept of national service and express my support for Senator KASSEBAUM's substitute. We all have ideas about where we want to go with national service. However, it is an entirely different thing to get there. And that is what concerns me about the National Service Trust Act. It is long on concepts and short on substance. I think that if we were not in such a hurry to push this measure through that we could have produced a proposal that would work and one that we all could support.

These comments are not rooted in obstruction, but in experience. Over the years, I have worked on developing programs that promote national service. Not all attempts were successful, but some were. From these experiences, I am particularly concerned that we do not start some massive program that we later learn we cannot afford and that it is not producing the desired results. No matter how well intentioned, if it does not work, it is a waste of tax dollars. I think we all remember the problems we had with CETA.

In addition, to ensuring proper use of taxes, it is difficult to ensure that the Government does not interfere in markets that could be better served by the private sector.

I am proud to say that I had a hand in starting a demonstration project to bring back the Civilian Conservation Corps—better known as the CCC. And I should note that this project was built by a bipartisan coalition which also included Senators BOREN and WOFFORD.

From a practical approach, I believe we did the right thing—you test a concept before you fully implement it. A year has gone by since this program was implemented and the results are just coming. And while I am impressed, we should be using this data so that we can prevent avoidable mistakes in the future. Instead, it appears that we are ignoring this test and now are going with an approach which dwarfs the CCC in size and concept.

More recently, House minority leader MICHEL and myself held a forum on national service which was attended by Republican Members, a distinguished panel of outside experts, and a White House representative.

The forum was simple. We constructively, let me emphasize that again, constructively discussed national service by examining the so-called Clinton-Kennedy-Ford plan and several alternative approaches. And of course, this forum would not have been complete without discussing participation in existing service programs.

I want to stress, we did not hold this forum to criticize the President's plan. Instead, we sought to help shape national service into a reasonable, cost-effective program that promotes the American people's desire to volunteer.

However, I believe that the President's proposal raises a number of fundamental questions that must be addressed.

Will all Americans be able to participate? It is my understanding that it will affect less than 1 percent of all students currently enrolled in higher education institutions.

Does it negatively impact other education programs? Investing the same amount of money in existing Pell grant and college work-study programs would enable many more students to have access to higher education, by as much as a 2-to-1 ratio.

Is it cost-effective? Many experts say "No." For example, cooperative education programs, which help college students pay for school and get a good job after graduation, serve 200,000 students and costs Congress less than \$14 million a year. On the other hand, a fully implemented Clinton proposal would only serve 150,000 students and cost more than \$3 billion. Interestingly enough, President Clinton tried to zero-fund cooperative education for fiscal year 1994.

Finally let me ask if there is a community service deficit? That all depends on who you ask, but today more than 100 million Americans volunteer approximately 4.2 hours per week.

Mr. President, over the next few days, I will be introducing a series of amendments that point out other weaknesses in the proposal before us—weaknesses that would not have been overlooked, had more time been given to developing this measure. These amendments are simple and to the point.

Senator KASSEBAUM's substitute streamlines existing Federal service programs, is 75 percent cheaper than the President's in new spending—\$100 million versus \$400 million—and is less bureaucratic. Her proposal provides a stipend for volunteers after commitment is met, yet it does not provide a \$5,000 educational award and prevents volunteers from receiving other types of Federal assistance. While I had hoped for a simpler program, Senator KASSEBAUM's proposals is certainly a step in the right direction.

Mrs. KASSEBAUM. Mr. President, I very much appreciate the remarks of the Republican leader. He hit on a couple points that I believe are important. One is: What type of community service do we need? To what extent are there needs that are not being met by others in our communities?

I cannot agree more with the comments that have been made about the importance of the CCC in the late thirties and of the GI bill. These are all things which I think we recognize have been extremely beneficial.

I hate to even bring up cost. Obviously, cost is a part of anything we do. The direction of voluntarism today has changed. It is not something that most can do full time without remuneration. It is a great effort even at that, and I recognize that. But added to those costs are the costs on the administrative side, which are as high as 20 percent in some programs.

I wish, Mr. President, that every school district would mandate that high school students in their junior and senior years would give time in a program of service to their community. Students at that point can do things such as tutoring children or reading to senior citizens, all of those things which I think are beneficial as part of a high school education.

I believe there are ways the spirit of service can be fostered without this becoming such an elaborate procedure and bureaucracy.

Mr. DOLE. If I may just address one comment more than a question.

I think it has been the hope of a lot of us—and maybe this bill will work; I do not know. One think we have talked about on both sides of the aisle the past several months, a couple of years, is how do we get these young people off the streets in L.A.? How do we find opportunities for the people who are down and out? I know they do not want to means test this program. But how do we attract the young people in inner cities in a program of this kind?

Maybe I have missed a point in looking over the analysis, but I do not see how we do that. How do we get these young people? How do we give them something to do? How do we promote a future for young people in the program that is pending before us at this point?

That has been the goal of a lot of people, to reach out and touch some of

these young people, maybe not 16, 17, maybe 25 years of age who have never had a chance, never had a family, never known anything but crime and drugs. What impact will a program like this have on this generation or do we just write off that generation?

That is the area that I think many of us felt might have been addressed that we do not see being addressed in this particular program.

Mrs. KASSEBAUM. I thank the Senator from Kansas. I think this is a concern that many of us share. How do you reach those people? As the Senator from West Virginia has detailed about his VISTA experience, structure and purpose is very important. I realize that was a very fulfilling experience for him.

I worry, Mr. President, that we will get the program so complicated we will miss the very important personal element that will make those young people or older people who become part of the program feel they are really gaining something from it as well as giving something. If the program is going to succeed in reaching those who Senator DOLE was mentioning, I would argue you cannot maintain a large bureaucratic structure that seems to continue to grow. Otherwise, we will miss the essence of what this initiative is all about, that President Clinton cares about, that we all care about.

I would like to run down some of the complications of the bureaucracy in this bill. Unlike my substitute, S. 919 would establish an umbrella under which the ACTION Agency and programs of the Commission on National Community Service will operate without changes to the basic administrative structure of any of the programs.

It establishes new structures in each State to administer the National Service Program, prescribing the composition, acceptable delivery standards, and acceptable policymaking roles of that State entity.

It designates three separate State entities which are authorized to receive funds from the Corporation—State commissions for national service programs, State educational agencies for service learning programs, and State ACTION offices for VISTA and National Senior Volunteer Corps programs without requiring administrative collaboration or joint planning between the three State entities.

It requires the educational postservice awards to be channeled through the U.S. Treasury and the Corporation, which will necessitate the development of an extensive tracking system for all national service participants for up to 9 years after they are working in a national service program.

It establishes three separate clearinghouses to provide training, technical assistance, and information on service learning and national service—additional clearinghouses for each can

be established at the discretion of the Corporation. A center for research training on voluntarism also is established.

It authorizes additional national service corps programs under the Department of Defense, which is the Civilian Community Corps, and the Departments of the Interior, Agriculture—Public Lands Corps, formerly the Youth Conservation Corps—without requiring administrative collaboration or joint program planning between the Corporation and Federal agencies administering these programs.

Mr. President, in a way it gives you a headache to go through all of that. I just worry that, again, we lose the essence of what we are trying to accomplish. I can count votes. I know I do not begin to have the votes for my substitute, and S. 919 is going to pass. There have been some improvements made, and there will be additional improvements made. I think all of us addressing the issue here today want to see it succeed. But if we get so tied up in the paperwork that is required, I think we will find it very difficult to accomplish what we all really want to see achieved.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield to the Senator from Louisiana.

Mr. BREAUX. Mr. President, I rise today in support of S. 919, the National and Community Service Act of 1993. With the passage of this program, students will have the opportunity to earn money for college or technical school while taking part in the most important opportunity society has to offer: Service to our communities.

Under this plan, students will work in one of four areas: Education, human services, environment, and public safety. Imagine the potential for our students and our country. Thousands of young people, eager to make a difference, working to fill the specific needs of their communities. In Louisiana, we have programs in place that address illiteracy, child abuse, drug abuse, at-risk children, school dropouts, homelessness, and the list goes on. Programs of this nature give student volunteers the opportunity to reach more and more needy areas.

In exchange for a 2-year commitment, students will receive \$10,000 to pay for their education. Students will use the awards to fund the training that is so necessary in today's global economy. The country will have volunteers to address problems, without the worry of debt that may otherwise prevent students from participating in such a rewarding experience.

The Democratic leadership council and the Progressive Policy Institute, which I am proud to be involved with, have been leaders on this issue. National service will fill the gap between

the cost of a college education and Federal grants, enabling every student to pursue his or her goals.

When President Clinton unveiled his National Service Program on April 30 at the University of New Orleans, he brought attention to existing service programs that will be part of this new initiative, programs like the cooperative effort between Tulane and Xavier Universities that will continue to tap the interests of our college students and show them the rewards community service holds.

Opponents of this bill have put too much emphasis on the potential costs of a national service program, ignoring its long-term benefits to the society at large. These opponents have ignored two important facts. First, this initiative will expand opportunity by increasing access to college and post-secondary education for all Americans. Second, through community service, we will launch a systematic attack on the social problems facing our Nation. Together, education in exchange for community service will create a better balance between the rights and responsibilities of citizenship. President Clinton has said that we can no longer expect the Government to give without expecting something in return. National service is the ideal pairing of those rights and responsibilities.

Finally, let me point out that national service forces us to reevaluate what it means to be a citizen in this country. We must rely on ourselves to solve social problems, not a Government bureaucracy. I look forward to the passage of this bill and the new horizons we will open for all involved.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. How much time remains?

The PRESIDING OFFICER. The Senator has 2 minutes and 15 seconds.

Mr. KENNEDY. How much time remains to the other side?

The PRESIDING OFFICER. Fifteen minutes and ten seconds.

Mrs. KASSEBAUM. Mr. President, I would use about 3 more minutes and then yield back any remaining time.

Mr. KENNEDY. Then I might go ahead.

Mr. President, I yield myself 2 minutes.

Mr. President, I wish to take this time to pay tribute to the Kansas Serve America Program that has been sandbagging in Kansas City, the Youth Corps Members from Kansas City, and to those assisting with debris removal and relocation efforts, repairing roads, working to help individuals in private homes, preparing devastated areas for repopulation.

There was some talk about whether we are involving young people. I think anyone who can visit those individuals and know the work they are doing would have to be impressed by how the

existing program, the community service program is actually reaching out.

I will take this chart, Mr. President, and review it since it has been used by my good friend from Kansas on this matter.

Just look at these items here, the ACTION Program, true, that is in existence at the present time. We are trying to bring all of these actions into the Corporation of National Service. We believe that to be essential and necessary. So we are in the process of trying to collapse that at the present time. That is in existence irrespective of whether or not we accept the amendment of the Senator from Kansas.

Look at these programs: Department of Defense, Department of Education, Department of Agriculture, Department of the Interior. It was the Bush administration that requested those departments to develop these programs. Now we hear opposition to it because various agencies of Government developed them.

You have other agencies that can stretch right over here.

I would hope we can stretch that way over here so that we have the departments and agencies of Government trying to work it out and trying to help our fellow Americans. That is what these programs are all about.

So we have the corporations, in existence at the present time—the State commissions are in existence at the present time—that are going to use those State commissions at the present time. It is so interesting. In these little boxes, we have participants, participants, individuals who have been involved in this program.

Mr. President, I want to give the assurance that we are attempting to streamline this program. And we think that the most effective way of streamlining the administration of it is by the program that has been reported out of our committee.

Mrs. KASSEBAUM. Mr. President, I would only add that I think there have been efforts made to improve the original bill. And I have expressed earlier my appreciation for that.

I would say that I think we should consider the seeds that we are sowing here today. I must say, I was one who voted against these additions in the Bush administration. I have to say, though, I think they have worked well.

But I still believe that we do not necessarily do these things without considering the next step along the way.

I believe the alternative that I have put forward offers a sound structure upon which to build a program that makes sense for both those who serve in it and those who are to be served by it.

Mr. President, I urge support for my amendment to Senate bill S. 919.

I yield the floor.

Mr. GLENN. Mr. President, I would like to discuss the structural problems

with the amendment in the nature of a substitute offered by my colleague from Kansas. Before I do that, however, I would like to explain the involvement that I and my staff have had with the Labor Committee bill, S. 919. The Governmental Affairs Committee has been working closely with the Labor Committee staff on the bill to strengthen its provisions for accountability so that taxpayer money gets spent as it is intended to be spent. I am pleased with the results of our cooperative efforts. We have clarified the clear delineation of authority between the President of the Corporation and the Board of Directors, established merit guidelines for the personnel system, solidified the authority of the GAO to audit, and emphasized the requirement for a chief financial officer.

In addition, to further strengthen accountability, I will be offering an amendment to S. 919 which adds additional safeguards for the funds appropriated. So, I am very familiar with the provisions of S. 919 to try to proactively avoid fraud, waste and abuse, and build in fiscal responsibility. And with my amendment, which I will detail at the appropriate time, I am comfortable that S. 919 goes a long way to avoiding problems we have had in other Government agencies.

Unfortunately, I cannot say the same thing about the amendment offered by my esteemed colleague from Kansas. Her amendment does not include much of the work done by Governmental Affairs staff, and therefore is far more open to misuse of Government funds. For example:

The Director of the Corporation reviews and approves grants, hires all personnel, and sits on the Board of Directors which is supposed to review the plans for grants and personnel. This consolidates too much authority in one person.

There is no management structure in the amendment. The Director has the exclusive authority to devise a management structure and appoint personnel, without the approval of OPM.

The substitute amendment does not create a chief financial officer. A CFO is vital to ensure fiscal accountability by producing auditable financial statements.

There is no provision in the substitute amendment for GAO or IG access to grantee records in order to allow them to be audited.

The amendment allows unlimited funds to be transferred to another agency. This provision may violate appropriations law.

There are no provisions made for current ACTION employees, such as RIF—reduction in force—procedures which are required by civil service law. These employees are simply not mentioned.

Along those lines, the amendment does not incorporate civil service tenets, and ignores title 5.

The amendment is inconsistent in its drafting. It does not amend the Inspector General Act appropriately, and is not consistent with it.

Many of these issues have specifically been addressed and remedied in S. 919. Speaking simply on the issue of good government and good management—S. 919, with the amendments of the Labor Committee and with my amendment, will guard taxpayer money far more than the Kassebaum amendment.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. I yield any time I have remaining.

I ask for the yeas and nays.

Mr. KENNEDY. I yield back whatever time remains.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. AKAKA). The question is on agreeing to the amendment of the Senator from Kansas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Connecticut [Mr. DODD] is necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. COATS] and the Senator from North Carolina [Mr. HELMS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 38, nays 59, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—38

Bennett	Gorton	Murkowski
Bond	Gramm	Nickles
Brown	Grassley	Packwood
Burns	Gregg	Pressler
Cochran	Hatch	Roth
Cohen	Hatfield	Simpson
Craig	Hutchison	Smith
D'Amato	Kassebaum	Specter
Danforth	Kempthorne	Stevens
Dole	Lott	Thurmond
Domenici	Lugar	Wallop
Exon	McCain	Warner
Faircloth	McConnell	

NAYS—59

Akaka	Durenberger	Levin
Baucus	Feingold	Lieberman
Biden	Feinstein	Mack
Bingaman	Ford	Mathews
Boren	Glenn	Metzenbaum
Boxer	Graham	Mikulski
Bradley	Harkin	Mitchell
Breaux	Heflin	Moseley-Braun
Bryan	Hollings	Moynihan
Bumpers	Inouye	Murray
Byrd	Jeffords	Nunn
Campbell	Johnston	Pell
Chafee	Kennedy	Pryor
Conrad	Kerrey	Reid
Coverdell	Kerry	Riegle
Daschle	Kohl	Robb
DeConcini	Lautenberg	Rockefeller
Dorgan	Leahy	

Sarbanes	Shelby	Wellstone
Sasser	Simon	Wofford

NOT VOTING—3

Coats	Dodd	Helms
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So the amendment (No. 603) was rejected.

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

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, we have a list of the amendments. We are eager to be able to try and accommodate the Members on these amendments to the extent that we can and also to debate the differences if we cannot.

We would like to invite those Members who are prepared to offer those amendments to come to the floor and talk with Senator KASSEBAUM and myself about those amendments.

I believe the Senator from Ohio has an amendment which we will accept. We planned to alternate back and forth between the sides to consider them. But we are very hopeful that we will be able, after we dispose of that, to move quickly on to another amendment.

The PRESIDING OFFICER. The Senator from Ohio [Mr. GLENN] is recognized.

Mr. DODD. Mr. President, will the Senator yield?

Mr. GLENN. Mr. President, I yield for a moment, without losing my right to the floor, to the Senator from Connecticut.

POSITION ON VOTE NO. 202

Mr. DODD. Mr. President, the distinguished Senator from North Carolina and I, along with other Members, were conducting hearings in S-116 on ambassadorial positions, and the clock did not work. We had no idea that the vote was occurring here, and we arrived on the floor too late to cast our votes.

Had I been here I would have voted against the Kassebaum substitute. I say that with all due respect to the Senator from Kansas.

I regret that I missed that vote. But I want the RECORD to reflect where I would have stood on it.

I apologize for missing the vote but it was due to mechanical failures that caused us to miss the vote. We were literally 100 feet from here. I say that is the irony of it all.

Mr. HELMS. Mr. President, will the Senator yield to me 1 minute?

Mr. GLENN. I yield.

POSITION ON VOTE NO. 202

Mr. HELMS. Mr. President, I join the Senator. It does not matter a whole lot, because the vote was not close, but had I been here I would have voted in the affirmative, and I want the RECORD to show that.

The PRESIDING OFFICER. The RECORD will so show.

The Senator from Ohio.

AMENDMENT NO. 605

(Purpose: To amend the Inspector General Act of 1978 relating to the Corporation for National and Community Service, and for other purposes)

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 605.

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

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

The amendment is as follows:

On page 264, insert after the item relating to section 203 the following new item: Sec. 204. Business plan.

On page 458, strike out lines 17 and 18 and insert in lieu thereof the following:

"(6) receive any report as provided under section 8E (b), (c), or (d) of the Inspector General Act of 1978;

On page 468, beginning with line 15, strike out all through line 2 on page 469.

On page 488, strike out lines 14 through 22, and insert in lieu thereof the following:

(h) INSPECTOR GENERAL.—

(1) SPECIAL PROVISIONS IN INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating sections 8E and 8F as sections 8F and 8G, respectively, and inserting after section 8D the following new section:

"SPECIAL PROVISIONS CONCERNING THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

"SEC. 8E. (a) Notwithstanding the provisions of section 6(a) (7) and (8), it is within the exclusive jurisdiction of the Inspector General of the Corporation for National and Community Service to—

"(1) appoint and determine the compensation of such officers and employees in accordance with section 195(a)(4) of the National and Community Service Trust Act of 1993; and

"(2) procure the temporary and intermittent services of and compensate such experts and consultants, in accordance with section 3109(b) of title 5, United States Code,

as may be necessary to carry out the functions, powers, and duties of the Inspector General.

"(b) No later than the date on which the President of the Corporation for National and Community Service transmits any report to the Congress under section 5 (a) or (b), the President shall transmit such report to the Board of Directors of such Corporation.

"(c) No later than the date on which the President of the Corporation for National and Community Service transmits a report described under section 5(b) to the Board of Directors as provided under subsection (b) of this section, the President shall also transmit any audit report which is described in the statement required under section 5(b)(4) to the Board of Directors. All such audit reports shall be placed on the agenda for review at the next scheduled meeting of the Board of Directors following such transmittal. The President of the Corporation shall

be present at such meeting to provide any information relating to such audit reports.

"(d) No later than the date on which the Inspector General of the Corporation for National and Community Service reports a problem, abuse, or deficiency under section 5(d) to the President of the Corporation, the President shall report such problem, abuse, or deficiency to the Board of Directors."

(2) TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.—

(A) IN GENERAL.—Section 8F(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) (as redesignated by paragraph (1) of this subsection) is amended by striking out "ACTION".

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(3) TRANSFER.—

(A) IN GENERAL.—Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(i) in subparagraph (T), by striking out "and" at the end thereof; and

(ii) by adding at the end thereof the following new subparagraph:

"(V) of the Corporation for National and Community Service, the Office of Inspector General of ACTION; and"

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(4) HEAD OF ESTABLISHMENT AND ESTABLISHMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by inserting "; the President of the Corporation for National and Community Service;" after "Thrift Depositor Protection Oversight Board"; and

(B) in paragraph (2) by inserting "; the Corporation for National and Community Service;" after "United States Information Agency".

(5) TECHNICAL AND CONFORMING AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in section 4(b)(2)—

(i) by striking out "section 8E(a)(2), and any" and inserting in lieu thereof "section 8F(a)(2), and any";

(ii) by striking out "section 8E(a)(1)" and inserting in lieu thereof "section 8F(a)(1)"; and

(iii) by striking out "section 8E(a)(2)," and inserting in lieu thereof "section 8F(a)(2)."; and

(B) section 8G (as redesignated by paragraph (1) of this subsection)—

(i) by striking out "or 8D" and inserting in lieu thereof "8D, or 8E"; and

(ii) by striking out "section 8E(a)" and inserting in lieu thereof "section 8F(a)".

(6) POSTAL SERVICE TECHNICAL AND CONFORMING AMENDMENTS.—Section 410(b) of title 39, United States Code, is amended—

(A) in paragraph (8) by striking out "and" after the semicolon;

(B) in the first paragraph (9) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(C) by striking out the second paragraph (9) and inserting in lieu thereof the following:

"(10) the provisions of section 8F of the Inspector General Act of 1978."

On page 489, line 5, insert "or subsection (h) (2) and (3)" before the comma.

On page 501, insert between lines 5 and 6 the following:

SEC. 204. BUSINESS PLAN.

(a) BUSINESS PLAN REQUIRED.—

(1) IN GENERAL.—The Corporation for National and Community Service (referred to

in this section as the "Corporation") shall prepare and submit to Congress a business plan. The Corporation may not provide assistance under section 121 of the National and Community Service Act of 1990 before the twentieth day of continuous session of Congress after the date on which the Corporation submits the business plan to Congress.

(2) COMPUTATION.—For purposes of the computation of the 20-day period referred to in paragraph (1), continuity of a session of the Congress shall be considered to be broken only by—

(A) an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a date certain.

(b) REQUIRED ELEMENTS OF BUSINESS PLAN.—

(1) ALLOCATION OF FUNDS.—The business plan shall contain—

(A) a description of the manner in which the Corporation will allocate funds for programs carried out by the Corporation after October 1, 1993;

(B) information on the principal offices and officers of the Corporation that will allocate such funds; and

(C) information that indicates how accountability for such funds can be determined, in terms of the office or officer responsible for such funds.

(2) INVESTIGATIVE AND AUDIT FUNCTIONS.—The business plan shall include a description of the plans of the Corporation—

(A) to ensure continuity, during the transition period, and after the transition period, in the investigative and audit functions carried out by the Inspector General of ACTION prior to such period, consistent with the Inspector General Act of 1978 (5 U.S.C. App.); and

(B) to carry out investigative and audit functions and implement financial management controls regarding programs carried out by the Corporation after October 1, 1993, consistent with the Inspector General Act of 1978, including a specific description of—

(i) the manner in which the Office of Inspector General shall be established in the Corporation, in accordance with section 194(b) of the National Community Service Act of 1990, as added by section 202 of this Act; and

(ii) the manner in which grants made by the Corporation shall be audited by such Office and the financial management controls that shall apply with regard to such grants and programs.

(3) ACCOUNTABILITY MEASURES.—The business plan shall include a detailed description of the accountability measures to be established by the Corporation to ensure effective control of all funds for programs carried out by the Corporation after October 1, 1993.

(4) INFORMATION RESOURCES.—The business plan shall include a description of an information resource management program that will support the program and financial management needs of the Corporation.

(5) CORPORATION STAFFING AND INTEGRATION OF ACTION.—

(A) TRANSFERS.—The business plan shall include a report on the progress and plans of the President for transferring the functions, programs, and related personnel of ACTION to the Corporation, and shall include a timetable for the transfer. Not later than 9 months after the date of enactment of this section, the President shall identify all functions of ACTION to be transferred to the Corporation.

(B) DETAILS AND ASSIGNMENTS.—The report shall specify the number of ACTION employees detailed or assigned to the Corporation, and describe the hiring activity of the Corporation, during the transition period.

(C) STRUCTURE.—The business plan shall include a description of the organizational structure of the Corporation during the transition period.

(D) STAFFING.—The business plan shall include a description of—

(i) measures to ensure adequate staffing during the transition period with respect to programs carried out by the Corporation after October 1, 1993; and

(ii) the responsibilities and authorities of the Managing Directors and other key personnel of the Corporation.

(E) SENIOR EXECUTIVE SERVICE.—The business plan shall include—

(i) an explanation of the number of the employees of the Corporation who will be paid at or above the rate of pay for level 1 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code; and

(ii) information justifying such pay for such employees.

(6) DUPLICATION OF FUNCTIONS.—The business plan shall include a description of the measures that the Corporation is taking or will take to minimize duplication of functions in the Corporation caused by the transfer of the functions of the Commission on National and Community Service, and the transfer of the functions of ACTION, to the Corporation. This description shall address functions at both the national and State levels.

(c) DEFINITION.—The term "transition period" means the period beginning on October 1, 1993 and ending on the day before the effective date of section 203(c)(2).

On page 501, strike lines 15 through 23 and insert in lieu thereof the following:

"(1) SUBTITLES B, C, D, AND H.—

"(A) IN GENERAL.—There are authorized to be appropriated to provide financial assistance under subtitles B, C, and H of title I, to provide national service educational awards under subtitle D of title I, and to carry out such audits and evaluations as the President or the Inspector General of the Corporation may determine to be necessary, \$434,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

On page 559, beginning on line 5, strike out all through line 17.

On page 559, line 18, strike out "(d)" and insert in lieu thereof "(c)".

On page 560, line 4, strike out "(e)" and insert in lieu thereof "(d)".

On page 560, line 8, strike out "(f)" and insert in lieu thereof "(e)".

On page 560, line 12, strike out "(g)" and insert in lieu thereof "(f)".

On page 560, line 16, strike out "(h)" and insert in lieu thereof "(g)".

On page 561, line 5, strike out "(i)" and insert in lieu thereof "(h)".

On page 561, line 11, strike out "(j)" and insert in lieu thereof "(i)".

On page 562, line 5, strike out "(k)" and insert in lieu thereof "(j)".

On page 562, line 9, strike out "(l)" and insert in lieu thereof "(k)".

On page 562, line 15, strike out "(m)" and insert in lieu thereof "(l)".

On page 562, line 19, strike out "(n)" and insert in lieu thereof "(m)".

On page 563, line 1, strike out "(o)" and insert in lieu thereof "(n)".

On page 563, line 8, strike out "(p)" and insert in lieu thereof "(o)".

Mr. GLENN. Mr. President, I sent the amendment to the desk. It has been reported.

First, I thank Senator KENNEDY and the Labor Committee for all their fine work on this bill.

The Government Affairs Committee has been working closely with the Labor Committee staff on the bill to strengthen its provisions for accountability so that taxpayer money gets spent the way it is intended to be spent. I am pleased with the results of our cooperative efforts. We have clarified the clear delineation of authority between the President of the Corporation and the Board of Directors, established merit guidelines for the personnel system, solidified the authority of the GAO to audit, and emphasized the requirement for a chief financial officer.

These are all good changes which substantially improves the bill.

The premise of this bill is very good. The basic premise is, doing good for your country does good for you, too. I think it is important that we encourage all the citizens to give time and energy and by repaying them, giving them opportunities they might not otherwise receive.

S. 919 creates those opportunities, but at the same time, we, as taxpayers, must be concerned about how our dollars are spent. That is the reason we focused on the accountability measure, things that normally come under the Governmental Affairs Committee. That is the reason I am offering this amendment.

The amendment further strengthens the accountability and good government measures we built into the bill.

First, it requires the National Service Corporation to submit a business plan to the Congress detailing the way they are going to do business before \$1 of grant money goes out the door. The business plan includes information about the Corporation's own internal controls, about staffing, about information resource management, and audit and investigative functions.

We want to do this in advance, and that is not often done on legislation like this. But that is important now to make sure every dollar gets spent properly.

To expand on the audit and investigative functions for a moment, I anticipate that the IG will be integrally involved in the determination of appropriate audit and investigative functions. We would like to see the IG working with corporate management to ensure that grants are handled in the most efficient, cost effective manner, and that they are easily reviewable. I would like to see the IG working with the chief financial officer to design the financial computer systems so that the financial statements can be easily audited.

I would add that you know GAO a short time ago said that there are some

400 different accounting systems in Government. We do not want to perpetuate that. We want to cure that kind of problem.

The purpose of requiring this business plan is to ensure that the Corporation officers recognize right from the beginning that they need to plan, and explain to Congress, how their funds are going to be safeguarded. For example, how many top level managers are there going to be? What will the responsibilities of the managing directors be? When and how are grants going to be audited? These are questions that I would like to have answered before money goes out the door. That is what we do with this amendment.

My amendment also creates the Office of Inspector General for the National Service Corporation within the IG Act, and adds some reporting requirements which will ensure that the Board of Directors is kept fully informed. This makes the IG Act, which is in the Governmental Affairs Committee jurisdiction, internally consistent, while ensuring that the President of the Corporation and the board of directors are working closely with the IG.

It is very important that both the President and the Board of Directors of the Corporation recognize the valuable contribution that the IG can make to the Corporation in its initial stages, and later on as the Corporation becomes established. The IG should be involved as an independent, yet participatory player in the creation of the audit plan and other information required by the business plan.

The provisions that I am offering in this amendment are geared toward promoting an effective, efficient good government model.

I believe both sides of the aisle have cleared this. Senator KENNEDY and Senator KASSEBAUM have agreed to accept this amendment.

I think the amendment adds important accountability provisions to S. 919. I urge the adoption of this amendment and I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to thank my colleague and friend, the chairman of the Committee on Governmental Operations. We have tried to work closely with the committee, and in particular with the chairman, in terms of establishing the administrative machinery for this program, with the clear idea of keeping this administrative program as lean and mean as we possibly could, recognizing, as we have said frequently, and as we hope to do, that we will have the whole generation of voluntarism develop from the bottom up.

But we recognize, as a governmental program, that we have to respond to about seven or eight different existing

personnel statutes. The chairman of the committee has spent a great deal of time, and his staff has, in helping and assisting us. We are going to call on his expertise as we could move through this process of consolidation of the various programs in terms of ensuring that the interested individuals who are affected by these consolidations, that their interests will be fairly represented.

But what has been most important is setting up the kind of financial integrity for this program, in terms of the roles of the inspector general, and ensuring effective kinds of accounting procedures and personnel procedures which are absolutely essential in every program. I think that we have benefited invaluable by the way that this has been achieved and has been done.

As we draft the legislation with regards to furthering the concept of voluntarism, in many instances our eye is not on the kind of target that the Senator from Ohio has his eye on in terms of very effective, tight administrative accounting and review procedures to ensure that whatever is appropriated is going to do the job that should be done.

So I am going to urge the Senate to accept the amendment. It is, I think enormously constructive and helpful. I want to give the Senator the assurances that we will work closely with his committee and that even after this becomes law we want his constant input into the program and we will welcome his intervention.

I see my good friend the Senator from Pennsylvania, who has been floor managing this bill, Senator WOFFORD. One of the first things that was done in the Peace Corps when Sargent Shriver set it up was that they hired four investigative staff reporters. Mr. Shriver asked those investigative reporters to go out and find the trouble spots before the President or before other investigative reporters would find them. And they established, through those recommendations and procedures, enormously effective accounting procedures.

We are very, very interested in following a similar kind of approach to make sure that we retain the confidence of the American people. So I thank the Senator from Ohio.

Mrs. KASSEBAUM. Mr. President, the amendment of the Senator from Ohio has been cleared on this side of the aisle. I think Senator GLENN has made a very constructive approach and I would certainly feel that we should give a unanimous approval.

Mr. GLENN. I thank the Senator very much.

Mr. President, I was just told by floor staff that there needs to be a couple of changes in the way it was drafted, the preamble or something. I hope we can work that out immediately.

Mr. KENNEDY. Mr. President, just finally, with the recommendations on

the prevention of fraud, waste and abuse, I would expect that this will probably have the tightest financial reporting and accounting and evaluation program of any of the existing governmental programs.

At least I will make that assumption. The Senator from Ohio has represented that to me on other occasions and I will represent that to the Senate.

What I would like to do, if it is agreeable with the Senator, as the matter is being drafted, is to move on to permit others to speak. And as soon as it is drafted, if it would be agreeable with the Senator, we could move towards acceptance of the amendment, if there is no further need for discussion.

Mr. GLENN. If we could set this aside. As I understand it, these are technical changes. We have already had our discussion of it and it has been accepted. We have to correct the numbers in the way of different sections. I think that is what the problem is. If we could set it aside, then it could be agreed to by voice vote this afternoon.

The PRESIDING OFFICER. Without objection, the amendment will be set aside.

Mr. DANFORTH addressed the Chair. The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I want to share with the Senate my thoughts, I can say almost Hamlet-like thoughts, about this particular legislation.

Some months ago, Mr. Eli Segal and Nick Lowry from the Kansas City Chiefs were nice enough to visit me in this office and talk to me about the National Service Program and ask me for my support.

I have to say I was tugged in the direction of supporting the legislation, or at least the concept of the legislation. I have been thinking about it ever since, because much inside me says that is a wonderful idea; that the idea of the Federal Government encouraging national service is something that is positive. National service is something that is positive. There can be no doubt about that at all.

I have been bothered, though, about this concept, as I say, within my own mind, going to and fro in Hamlet-like fashion about exactly how I feel about the legislation. For reasons I am about to state, I am troubled by it and my concerns about it outweigh the pull to support this National Service Program.

I want to say, first of all, the idea of voluntarism and the idea of the private sector and other wonderful things going on throughout this country is something that very personally motivates me. I have had the great privilege in my life of spending what is now a quarter of a century in the public sphere. That is what I do for a living and I have done it ever since the 1960's. I have been in Government.

Unlike some people who have left public service grouching about it and

saying how terrible the whole experience has been, I leave it with exactly the opposite sense in my mind. To me, the public sector has been very positive and, hopefully, an opportunity to do some good. But I have also always wanted there to be a life beyond the Senate, a time to return home, a time to go back to the people who sent me here and to the place where I grew up, not just in an effort to make some money but, hopefully, as an opportunity to do some good things, some good things that are not governmental.

I really believe that there is so much that needs correcting in this country that is never going to be corrected in Washington. We deal, in the Congress of the United States, with what to do about the dreadful plight of so many people in our cities, particularly black Americans who have had poor educations and few opportunities in life. We have developed programs, and I am sure some of those programs have been helpful. I know they have been. But I really believe that out there in the country, out there in our communities and places like St. Louis, where I am returning, that the people and the institutions that exist out there are going to end up having more to say about whether or not life is going to be made better for those who have not had such a good life—they are going to have more to say about that than anything that we do here in Washington, DC.

So the notion of volunteers and the notion of service is something that is very positive. And what goes on in the service sector clearly relates to Government. There is no question about it. We recognize this in our tax laws. We exempt charitable organizations from taxation. We provide incentives for individuals to contribute their resources to nonprofit organizations by providing them with charitable deductions for those contributions. I personally have favored the idea of providing vouchers for families to send their children to the school of their choice, including private schools and including church-related schools. Why? Because it is clear to me that Government, by its policies, can enable those who are doing good things in communities to continue to do good things and to expand their realm of opportunity as well. Government helps the private sector. Government helps the volunteer sector. There is no doubt about that. And in some selective opportunities, the Government has actually created the programs itself.

The Peace Corps—what a wonderful program that is. I can remember vividly going to a village in rural Senegal and seeing a young American living in a hut with a Senegalese family; living in the most frugal possible way. He had lost 40 pounds or so in something like 6 months. The Peace Corps made that

possible. And it is a wonderful program. The VISTA Program, the ACTION Program—these are very positive. So the notion of the Government asking itself, What can we do to help? What can we do to encourage the private sector? What can we do to encourage volunteers? That is positive. That is good. The aim of this legislation is a laudable aim.

But, as I say, in Hamlet-like fashion I have some problems with it and I want to share with the Senate what those problems are. It seems to me that to create a general principle that the Federal Government is going to pay people to be community servants is to create a faulty general principle. There are times when we will want to pay people to perform community service because by paying them a stipend, we can enable people who are not otherwise able to afford to perform community service. We can provide them with that opportunity. But this legislation operates on a different principle.

This legislation operates under the principle just articulated by Senator GLENN who said, "In helping your community, you help yourself." This legislation says that in addition to enabling people to do something which they might not otherwise be able to do by providing them with a stipend if they are financially strapped, we are, as a general principle, going to provide them with scholarship assistance for 2 years, up to \$10,000—\$5,000 a year—no matter who they are. Whether they are rich or whether they are poor or whether they are anywhere in between, we are going to provide them with something of value, something of economic value, as a quid pro quo for doing public service. In other words, this is going to be something that will be compensated, not just enabled, but compensated, paid for in cash or the equivalent of cash—paid in consideration for a service.

(Mrs. MURRAY assumed the chair.)

Mr. DANFORTH. Madam President, I simply raise the question whether that is voluntarism anymore; whether somebody who is paid to do a service is any longer exercising the altruism which we want to recognize by virtue of creating this legislation in the first place.

Are we inadvertently transforming people who want to serve into hirelings? Is that what we are doing in this legislation by providing something that is worth money to people, whether or not they need that money, in order to perform the work? That is something that bothers me.

There is a second thing that bothers me as well. It is underscored by the amendment that Senator GLENN is about to offer. He talked about the importance of this National Service Corporation having an inspector general and having audits and having every penny monitored and audited, and so

forth. In a way, who can object to wanting to make sure that money is well spent? But it also, I think, underscores perhaps the main problem with this legislation, which is the bureaucratization: the governmentalization of good works.

We are not creating a National Service Corporation to undertake one definable responsibility, such as the Peace Corps, providing assistance to people in foreign lands. This is not a defined, specific purpose that we are dealing with or that we are enabling through this legislation. Rather, it is a general concept that all kinds of volunteer organizations, all kind of service organizations throughout the country are now going to be chasing dollars that are going to be made available by our Federal Government; that there is going to be a Federal operation, a governmental operation, a governmental corporation, and the governmental Corporation will set out the standards for what is especially useful and good for the private sector to do in its voluntarism and what is perhaps not as desirable, as far as our Federal Government is concerned.

Just as colleges and universities chase the Federal dollar by designing their research projects in order to conform with the perceived needs and priorities of the National Institutes of Health, the Department of Defense, or whoever else is providing the research money, is it not possible that those people in St. Louis, or Kansas City, or throughout the country, who want to provide some public service are now going to define that service and develop that service in a way that meets the established priorities of the National Service Corporation?

Madam President, we want national service, and the Federal Government does now interact with the private sector in providing volunteer services. There is no doubt about that. The issue is how far do we go? The issue is a matter of degree. The issue is not whether the Federal Government has some relationship with various social service organizations, because it does today, but rather the question is the degree of control.

When the Federal Government establishes a board, and that board has money to spend and that board determines what is useful and what is not so useful, what is good and what is not quite so good, then, it seems to me that that what we are really saying is that there are people in Washington, DC, connected with the Federal Government, who really have the right idea about what the good people of St. Louis and Kansas City, and all throughout the country, should be doing in order to serve their fellow human beings.

I believe that the heart of America really is in the heart of America; that the strength of the country, the soul of

the country is somewhere out there. Maybe we should be a little bit reticent about putting our hands on the heart and on the soul of the country, just a little bit reticent. I think what bothers me about this legislation is not that the intention is not good. The intention is very good. But what bothers me is the absence of reticence, the absence of a sense that the heart and soul of America are somewhere other than in Washington, DC.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

AMENDMENT NO. 604

(Purpose: To delay the effective date of titles I, II, and IV of the bill until the deficit increase resulting from fiscal year 1993 emergency spending is eliminated)

Mr. COVERDELL. Madam President, I call up amendment No. 604 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL] proposes an amendment numbered 604.

At the end of the amendment, add the following:

SEC. . DELAY OF SPENDING UNTIL FISCAL YEAR 1993 EMERGENCY DEFICIT INCREASE IS ELIMINATED.

The provisions of titles I, II, and IV of this Act shall not take effect until the Director of the Office of Management and Budget certifies that the total amount of deficit increases for fiscal year 1993 resulting from budget authority contained in supplemental appropriations Acts and declared to be emergency spending under the provisions of section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 has been eliminated through rescissions and transfers of funds.

Mr. COVERDELL. Madam President, while this amendment does not directly speak to the merits of national service, it speaks to the procedure by which the program would be funded and, more specifically, it speaks to the manner in which we carry out the people's business and the utilization of the tax dollars received by the Federal Government.

As everyone knows, I have just come here out of the 1992 elections. It was an election for which we had more of the American people speaking than any in contemporary history. In every way they knew how, I believe they were saying that Washington, the Federal Government, must do something about the manner in which we manage the people's business and, more specifically, the manner in which we manage their hard-earned dollars.

This year, on April 21, we appropriated \$4 billion which went straight to the deficit in the name of "emergency." It was not within the normal budget process.

On July 1, we once again added another \$1 billion to the deficit. Today,

beginning its way through the process, we are attempting to deal with the enormous disaster occurring in our country throughout the Midwest. The House has suggested \$2.8 billion that would be added, because of an emergency status, directly to the deficit. And, of course, I think everybody recognizes that is but a portion of what is likely to be needed; property damage in the Midwest is already reaching \$6.2 billion, and crop losses over \$2 billion.

Pressures to appropriate money to meet this horrible condition in our own country will be enormous, and understandably so. How could any of the Members of this Senate or this Congress be unmoved by the individual tragedies occurring on a daily basis in our country?

What my amendment argues is that some of the things we would like to do, some of the other things that are being suggested to be done, such as national service, may have to take a back seat to the emergencies occurring in our country, whether it is unemployment or whether it is a disaster in Iowa, Kansas, Nebraska, and Minnesota.

The American people have said, as I said a moment ago, loudly and clearly that you cannot continue to just add one thing on top of another and then another and then another, adding to the \$4.3 trillion, soon to be \$5.4 trillion, debt.

We have spent the last 6 months arguing fervently over the deficit and what builds the deficit and what can be done to cure the deficit. I cannot think of anything more fundamental than to force ourselves to discipline ourselves to make choices about when we can and cannot do things.

As I said, this amendment does not argue to the merits of these specific proposals on national service. But it does suggest that until we can take care of those matters for which we do not have funds and until we have covered those costs, it would be appropriate to wait before we begin expending these moneys on yet another new program at the Federal level.

Maybe we could equate this to a family, a family in the Midwest right now that was planning on sending a child to school. Perhaps they envisioned moving to a new home. And because of the circumstances, the emergency status that they now face, they will have to delay for perhaps a year or two going on to college. They may have to delay the acquisition of new property. They may have to delay the establishment of a new business.

The Federal Government, this Senate, must begin the same process. It must begin the process of establishing priorities, understanding that we cannot necessarily do everything we might want to do all at the same time.

Virtually every comment I have made in the short number of days I have been here has dealt with the es-

tablishment of new rules of the road, new methods by which we set priorities and discipline ourselves about spending.

I hope this amendment will become a benchmark by which we might measure others here. It is merely saying that until we take care of the national disaster with which we are confronted and the other two appropriations we have already declared an emergency, other things will have to be set aside until such time as those obligations have been settled, and then we might move on.

Madam President, I ask for the yeas and nays on amendment No. 604.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Madam President, I understand the amendment of the Senator. I am interested, does the Senator intend to offer these kinds of amendments to every other kind of spending or authorizing legislation? The Senator has signaled this one. The Senator is effectively saying that the costs of the flood in the Midwest and the other emergencies which the Senator has identified, until we meet all of those costs we will not be able to do national service programs irrespective. I am certainly going to do what is necessary to help and assist our fellow citizens in that part of our country.

But do I understand when the Senator mentions a benchmark, he is going to offer this kind of amendment on all the other authorization bills, to try to put the amendment in some kind of context, or is the Senator just doing it for voluntary service?

Mr. COVERDELL. Madam President, it had been my thought, as I said, in coming to the Senate that the American people were desperately worried about the manner in which we manage the financial affairs of the country, and I have been looking for every procedure and process as a form of discipline that would call upon us to set priorities. My response to the good Senator from Massachusetts is that conceptually, yes, this is a concept that I envision broadening and bringing before the Senate on more than one occasion and on other matters. If the Senator is asking would that be the case in each and every case, it would be very difficult, almost impossible, for me to answer. But it is a concept that I believe merits considerable attention.

Mr. KENNEDY. I am not questioning that the size of the Federal deficit does not require a good deal of attention. I am just trying to find out what the Senator is prepared to do, whether he is just targeting that program, national service, or whether he is going to target all other kinds of spending proposals.

I am not sure I understand what the response of the Senator was.

Mr. COVERDELL. My response is, yes, it may be included in other proposals in the future.

Mr. KENNEDY. Does the Senator intend to target the National Institutes of Health on cancer research? How about the Centers for Disease Control that are located in Atlanta, which does such extraordinary work on breast cancer; on trying to deal with some of the public health problems of immunization; also bringing new focus to the violence against women? Does the Senator propose cutting back on that program as well until we pay off all of the emergencies?

Mr. COVERDELL. The Senator is engaged in what might be considered the process by which I believe we have gotten ourselves into so much difficulty here; that is, that every time a Member of the Senate comes forward with a concept of budgetary discipline and priority setting, the first thing that he or she might expect is the suggestion that something of value in his or her district might somehow be negatively impacted. It is really not all that complicated.

I am simply saying that the process of breaking the budget, of setting aside the things in an emergency status, such as we now have done twice and are about to do the third time, ought to be settled before the U.S. Senate imposes yet a new, enlarged concept and burden on the American taxpayer.

I would have to leave it to my judgment and prerogative as to selecting the value and/or the magnitude of the individual item or proposal that might come before the Senate.

Mr. KENNEDY. I think that is fair enough. So we are to conclude that the Senator wants discipline, but wants it with regards to voluntary service. But the discipline in dealing with the budget is going to be subject to what the particular subject matter is.

I am just trying to find out how much discipline the Senator from Georgia is really looking at. I thought he made an excellent commentary about how the people in Georgia want discipline in terms of expenditures and taking every opportunity to have that kind of discipline.

He wants the discipline with regard to this legislation. And we are going to be reauthorizing the legislation dealing with the Centers for Disease Control, to illustrate some of the very, very important work that it does in the areas of public health. I was just trying to find out whether the kind of discipline the Senator wants here is going to be the similar kind of discipline on the Centers for Disease Control and all of the immunization programs and many of the other good works that they are involved in. But I understand that the Senator is not prepared to say whether he will or will not.

Mr. COVERDELL. I accept the Senator's fair question. One of the distinctions might be—and there will be others—whether or not the program is an extension of an existing process or whether it is yet a new Federal program envisioning a new bureaucracy and a new investment over an extended period of time.

It is reasonable for any Member of the Senate to, on any occasion when we are discussing the matter of discipline, to suggest that that ought to be broadly based. But I hope the Senator will understand that, yes, this process that I am introducing here today, the concept of setting an emergency and a standing of higher priority, and assuring that those matters and most obligations are resolved prior to the initiation of new and broad-based programs, will be something that I will continue to follow during the time that I am elected to serve here.

Mr. KENNEDY. Madam President, of course this is really an important expansion of an existing program. I am sure the Senator is familiar with the program that was passed 2 years ago. This is a very important expansion of that program.

Under the Senator's rationale even the amendment of the Senator from Kansas would have effectively been eliminated. I mean, just so the membership understands, that if the amendment of the Senator from Georgia were accepted, and then the amendment of the Senator from Kansas had been offered and been accepted for further consideration, effectively that would have been halted as well.

Madam President, just very briefly, I understand and I respect the Senator's position. I just make these comments. At the time that we are meeting now we have Members of the House and the Senate working together to try to reduce the overall deficit by \$500 billion in the next 4 years, even as we are here trying to deal with this issue. We had an opportunity when the budget resolution was here to make the recommendations for further kinds of reductions.

I am not familiar with whether the Senator from Georgia will offer a series of amendments to try to do that or not. That is perhaps relevant to the general thrust of the Senator's argument. But nonetheless, we are dealing with the Senator's amendment at the present time.

Effectively, what the Senator's amendment would do is hold hostage every new initiative. We are going to have some, particularly on public health education, violence against women and other kinds of women's research and other kinds of programs. We are going to have some. But, effectively, we are holding hostage this program and any other program depending upon the needs of people in the Midwest.

I think we ought to accommodate those needs in the Midwest. The Budget Act specifically provides that if there is a declaration of an emergency, and if the House and Senate accept a declaration of emergency, then we will treat that as an emergency and we will not have to have necessary reductions in other kinds of continuing programs. That is part of a whole budget structure and Budget Act. That is what will be done with regards to the particular items, the flood which has been identified, and other kinds of natural disaster.

I would hope that all Americans and everyone in here would support the programs in terms of the flood emergency, and not have to be making choices about whether they want to deal with cancer research or someone's home as a result of the flood. I think that would enormously improve it.

Finally, Madam President, this matter is in the President's budget. There has been a down payment for this in the House appropriations subject to authorization, which this legislation will accomplish, and it will be funded as a result of the Appropriations Committee making a judgment about whether this has a priority or whether some other form of existing spending will have a priority.

There will be that kind of condition. It is consistent with the President's program, it is consistent with the budget resolution. And as the members of the appropriations indicated, they are willing to support this program and are willing to not have added additional spending, but to make the judgments on the basis of selectivity on existing programs. That is a pretty good discipline. This is not an add-on in that respect.

It is going to be a hard decision in terms of existing priorities. So I appreciate the thrust of the Senator's amendment. But I feel that it effectively would gut the whole program.

We are trying to involve the 42 million young schoolchildren in this country for service in the communities, as we have been able to do in one of my cities, Springfield, MA, where you have kindergarten children folding napkins and preparing centerpieces that are used in senior citizens' feeding centers, Meals on Wheels Program, and in the homeless shelter programs; or, the fourth graders that are calling seniors every day, talking to them for 5 minutes in a nursing home every single day, visiting them on the Valentine's Day and on their birthday or sixth graders that are visiting senior citizens in nursing homes and doing the pantomime about the race between the rabbit and the turtle; or those between 8th and 12th grades that are there assisting in day care programs. So that working families are going to be able to have less of the anxiety, which every working family in this country has between

3 and 3:45 every single day of the year, as parents worry about what happens to their children when they are let out of school.

We are not going to solve all of the problems obviously, with this particular legislation, but I think, quite frankly, to hold those kinds of efforts—plus many, many others that we have talked about in the course of this debate—as hostage while we are attempting to provide relief for families in the Midwest is really not sound public policy.

So, Madam President, I hope the amendment will not be accepted.

Mrs. KASSEBAUM. Madam President, I ask the Senator from Massachusetts and the chairman of the committee—and if Senator COVERDELL would have any objection—should we perhaps stack these votes and put this aside? Or would the Senator from Georgia like a vote at this time?

Mr. COVERDELL. I am perfectly agreeable to stacking the votes, or moving it to facilitate the management of the legislation, however the Senators choose to do it. I would just like a vote on the amendment.

Mrs. KASSEBAUM. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MIKULSKI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MIKULSKI. Madam President, I ask unanimous consent to speak as in morning business for 5 minutes, while our colleagues are dealing with some parliamentary issues.

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

THE NOMINATION OF DR. JOYCELYN ELDERS

Ms. MIKULSKI. Madam President, I want to take this time to express my full support for the nomination of Dr. Joycelyn Elders to be Surgeon General of the United States of America. I cannot think of a more qualified person to protect the health of the American public than Dr. Elders.

Madam President, Dr. Elders has had a long and distinguished record of achievement that makes her very qualified to become the top health official in the United States.

I am not sure many people are aware of Dr. Elders' career. She has been in public health for many years. Her life in public health began as a commissioned officer in the U.S. Army. She went to a small Methodist school during the days of segregation. Dr. Elders and I are about the same age. We came to maturity during the time of segregation, but it was a Methodist school

that welcomed her and saw her potential as a talented young African-American woman who, through sweat equity, wanted to put herself through college. When she graduated, she saw an opportunity structure in the U.S. Army and chose to serve in the U.S. Army, where she worked for 4 years as a physical therapist at Brooke Army Medical Center to try to make up for a shortage of physical therapists.

Dr. Elders' talented hands helped men and women of the U.S. military restore their own health. And then a grateful nation said to Dr. Elders, we have here a GI bill of rights, and then Dr. Elders went on to medical school under the GI bill.

She has been a veteran of the U.S. military, and she has been a veteran against the wars of poverty, disease, teenage pregnancy, and other issues. This is what this country is all about. You help America, and America says we want to help you, the people who are willing to put out their own sweat equity.

Dr. Elders helped vets get well and get on with their lives. Many people do not realize that she was the veteran of the year in her own community.

Dr. Elders had a vision of a future that women of her generation could not have imagined—and I love I am of that generation—and that was to be a doctor. Wow! That was something that was designed primarily for men. But to be an African-American woman who was going to be a physician, that was even more rare.

She told me when we spoke last week that it was during her time in service to this country that going to medical school really became an achievable dream for her and, boy, how blessed we are, because it was in medical school that she began to focus on what was to become her great passion in life: to improve the health of this Nation's children. She went on to become a pediatrician, and not just any pediatrician, a pediatrician specializing in the field of endocrinology, a sophisticated field in which to help people.

She is a pediatrician with a perspective. While she treated one child at a time in her doctor's office, she was developing a plan to help all children, especially poor and minority children, to be healthy. She has shown, in her 22 years of clinical practice, that she is an outstanding physician.

Her primary area of expertise is in the area of juvenile diabetes. Lots of kids have benefited by the helping hands of Dr. Elders. She has demonstrated over and over again a unique capacity to combine new ideas for public health with an exceptional understanding of medicine.

She turns her ideas into action. She reaches out to children and families and provides them medical and preventive services where they are—and where they are most likely to get

them. And this is what has caused the most controversy.

Dr. Elders has won the strong backing of the community for her efforts. She built public health services from the ground up in her own State of Arkansas—through the State and county departments of health, and also working with churches and schools and organizations like the YWCA, and even with business—Arkansas will be a model for the Nation. She is trusted because she knows what she is talking about.

Also, many of our colleagues are not aware that Dr. Elders is an exceptional scholar. She was a full professor of medicine for 11 years at the University of Arkansas Medical School, not only practicing medicine, but publishing over 150 articles on important developments in pediatrics.

Her programs to end teenage pregnancy, reduce infant mortality, and improve the well-being of children and families are all well based on science, as well as street-smart savvy. Her victories fighting disease are too plentiful, too numerous to recount.

It is no wonder that President Bill Clinton chose Dr. Elders, when he was Governor, to head the Arkansas Department of Health. And it is no wonder that President Clinton has asked Dr. Elders to come to Washington to be the Nation's Surgeon General. She is a scholar, an innovator, and an American veteran who will serve this country well in her new role, because Dr. Elders is a veteran of many wars.

I believe Dr. Elders has the proven ability to get people to pull together to improve public health. I can think of no more qualified candidate.

I hope that when her nomination comes to the floor, she will have the endorsement of the Senate.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATIONAL AND COMMUNITY SERVICE TRUST ACT

The Senate continued with the consideration of the bill.

Mr. JEFFORDS. Madam President, I have an amendment I would like to present to the desk.

The PRESIDING OFFICER. At present there is an amendment pending.

Mr. JEFFORDS. Madam President, I ask unanimous consent that the pending amendment be set aside so that I may offer my amendment.

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

Mr. JEFFORDS. I yield to the distinguished leader.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Madam President, I thank my friend and colleague from Vermont.

VISIT TO THE SENATE BY THE PRESIDENT OF THE SENATE OF FRANCE

Mr. MITCHELL. Madam President, and Members of the Senate, on behalf of all of the Members of the Senate, I welcome to the Senate Chamber the Honorable Rene Monory, the President of the French Senate.

President Monory and I have been meeting, along with Senators DOLE and PELL, in the past half hour to reaffirm the very strong and close ties of friendship that exist between our two countries, the United States and France.

All Americans know, of course, that the French people played a large role in the independence of the United States, in the formulation of our country, something for which we have been and will be always grateful.

It is always a pleasure to welcome our friends and colleagues, and in this case a fellow member of the Senate from France. I want all Senators to please join me in welcoming President Monory to the Senate. [Applause.]

I ask that those Senators present to take a moment to introduce themselves to and to greet President Monory.

RECESS

Mr. MITCHELL. Madam President, I ask unanimous consent that there be a recess for 3 minutes for that purpose.

There being no objection, the Senate, at 4:42 p.m., recessed until 4:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mrs. MURRAY].

NATIONAL AND COMMUNITY SERVICE TRUST ACT OF 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 606

(Purpose: To require the Corporation and the States to establish national service priorities)

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

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 606.

Beginning on page 19, strike line 21, and all that follows through line 5 on page 20 and insert the following:

“(1) ESTABLISHMENT.—

“(A) BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to achieve the

other purposes of this Act, the Corporation shall establish, and after reviewing the strategic plan approved under section 192A(g)(1), periodically alter priorities as appropriate regarding the types of national service programs to be assisted under section 129(d) and 129(b) and the purposes for which such assistance may be used.

"(B) BY STATES.—States shall establish, and through the national service plan process described in section 178(e)(1), periodically alter priorities as appropriate regarding the national service programs to be assisted under section 129(a)(1)."

On page 33, line 3, strike "may" and insert "shall".

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Madam President, I allowed the amendment to be read because I wanted to make sure that all those who are following this bill are aware of the amendment that I am offering. It is an important one and one that I believe will be accepted.

The purpose of this amendment requires that the Corporation and the State commissions establish clear priorities for funding national service programs. Only programs which demonstrate how they will achieve the priority set forth by the Corporation or State commissions will receive the grant.

My colleagues have heard me argue this issue before. This provision is an essential element to the creation of any new community service bill which provides such generous rewards for its recipient. Without clear priorities, there is no justification for large awards nor can we assure that the work of the participants is truly addressing the critical needs of this country.

We are creating a program which will start out small. But, if it works as well as I and many of us who support it, it should and could turn into a huge national program. So, it is critically important that it gets started out correctly.

For that reason it is essential, when it is in its infancy and just benefiting a small number of individuals that we be able to measure its success.

The only way you can measure success is to ensure that there are specific goals which are delineated and that the programs are oriented to making those goals come to fruition. If we do not have clear goals it will be difficult to determine whether or not the National Service Program is working. That is the purpose of my amendment. Without this mandate we risk creating a program with no priorities.

So I think it is critical and vital that we make sure the program gets started right. Thus, this is the reason for this amendment.

I think it is a commonsense, reasonable one. I hope that it will be supported by both sides of the aisle.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I think this is an eminently reasonable recommendation and amendment, one which I can support quite enthusiastically.

Obviously, there should be priority areas for the National Service Program. Under the Jeffords amendment, as I understand it, it does not require that every single program fall within the priority area. But it will ensure that a significant number of programs funded will meet those prioritized needs.

It seems to me that makes a good deal of sense.

I certainly would support the amendment and urge our colleagues to do so, as well.

Mr. JEFFORDS. Madam President, I wanted to clarify that if I may.

Priorities must also be established by State commissions. For the one-third share that goes directly to the States, they must have their own priorities. These may or may not be different from the national priorities.

The other two-thirds of the funds, controlled by the Corporation, would have to be distributed according to national priorities. Those priorities would be established by the Corporation through the strategic plan process.

Mr. KENNEDY. As I further understand it, even with established priorities, you are not suggesting every single program would have to necessarily fall within that particular priority.

Mr. JEFFORDS. Well, the intention of this is to provide the Corporation with the ability to ensure that what they have available as resources can be utilized for national priority programs. It does not mean that each of these national priorities would have to be funded equally, nor would it require the States to fund each of these equally. They would be given flexibility. But, to be eligible to receive funding through the national Corporation the applicant must show how it will address the national priorities.

Mr. KENNEDY. Madam President, we had, even in the previous administration under Admiral Watkins, as the Senator might remember, an effort to try to get governmental agencies to develop outreach programs and involve citizens.

As part of this, the Department of Energy, for example, developed a program to provide for environmental cleanups. Other agencies also had programs. I can think now, just off the top of my mind, we had the Small Business Administration developing programs involving the business community.

I think it is a worthwhile idea and recommendation. I urge that the Senate accept the amendment.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Madam President, I know of no objection on this side of the aisle.

Mr. KENNEDY. I ask, Madam President, that the amendment of the Senator from Georgia be temporarily set aside so that we could consider the amendment of the Senator from Vermont.

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

Mr. KENNEDY. Madam President, I ask that the amendment of the Senator from Vermont be accepted.

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

The amendment (No. 606) was agreed to.

Mr. KENNEDY. I thank the Senator.

Madam President, for the benefit of the Members, we have three amendments that we expect to be considering. We have the Coverdell amendment, which I hope we will vote on in tandem with two other amendments offered by the Senator from Arizona, Senator MCCAIN, and the Senator from Oklahoma [Mr. NICKLES]. We are waiting now.

It would be our desire, if agreeable with the sponsors of those amendments, to vote on them after an opportunity to debate those amendments. This will accommodate some of the Members who are at the present time in the conference on the budget and permit those negotiations to continue.

We are urging other Members who have amendments to let us know about them at the present time. I and Senator KASSEBAUM are attempting to gather the other amendments. Soon, I hope that the majority leader, with the understanding of the minority leader, will be able to decide the course of action for the Senate.

But as I understand it, from being around here for awhile, unless we can agree on the number of amendments, it will be very difficult to set a definite course of action for tonight, tomorrow, and perhaps even Friday.

So I hope that those Members who are interested in amendments will notify Senator KASSEBAUM or me. Senator KASSEBAUM and I intend to notify Senator DOLE and Senator MITCHELL so they will be able to try and accommodate the greatest number of Members and so we can have a full discussion of those amendments and resolve them.

Mrs. KASSEBAUM. Madam President, I believe this evening the only amendments which at this point will be put forward and on which there will be votes would be the ones by Senator COVERDELL, Senator NICKLES, and Senator MCCAIN. And Senator DOMENICI, I believe, Madam President, is also going to offer his amendment this evening.

Until they come to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

Mr. WOFFORD. Mr. President, I would like to respond to the thoughtful remarks of the Senator from Missouri [Mr. DANFORTH] who, after he stated his eloquent concerns and his vision of service, which is obviously deep and lifelong, he characterized the bill before us as the bureaucratization of good works that was going to undermine the spirit of private voluntary service in this country and federalize the concept of service in this country. I just hope before the debate is over and he has reviewed, and others of us have reviewed, the structure of the bill before us and of the decentralized system that has been proposed, he sees that in many respects—I think in the prime respects—this bill is just the opposite of that.

I notice Elizabeth Dole, the president of the American Red Cross, in writing to the other body, to Representative FORD in the House of Representatives, announcing that the American Red Cross supports H.R. 2010, the National Community Service Trust Act of 1993, says:

We particularly appreciate the proposed act's strong emphasis on:

Renewing the ethic of civic responsibility; Engaging locally based and diverse organizations in a system of service delivery that is both decentralized and nationwide;

Facilitating the replication of existing successful service programs; and

Providing service opportunities for both stipended and non-stipended participants and for persons of all ages.

Elizabeth Dole goes on to say:

We understand that community service is neither a panacea for the nation's problems nor a substitute for traditional voluntarism. However, your bill will enlarge the means by which individuals can make a difference in their community.

We look forward to the bill's passage into law and to the opportunity of offering more than one hundred years of Red Cross experience to its implementation.

Elizabeth Dole, the President of the American Red Cross.

Senator DANFORTH suggested that the invitation to the independent sector in American society to design programs for full-time service under this bill is going to turn those programs into the chasing of Federal dollars. What is going to be appealing to the American Red Cross and to all kinds of independent sector organizations is not the money, because they do not get any benefit out of any money; it is the full-time service of some young people who are going to get the majority of their essentially minimum wage supported through this bill and who are going to, in addition, get an educational voucher which they will earn

through a year of full-time service. But what comes to the American Red Cross is 10 or 100 or maybe in this country 1,000 mostly young people who they can have as full-time leaders of their programs.

I have seen one private sector organization after another come to life, not with the thought of how they may get some money; what they get is the human being's service for a year, applied to priority programs that those organizations will design and lead, will structure. They will give the crucial leadership that can make the difference whether this program works or not. If it does not work, it will not grow.

The State of Missouri itself has right now a number of those programs that seem to be flourishing. There are 16 VISTA projects. I will submit to Senator DANFORTH the list of hundreds of volunteer service programs that are underway that have been supported through the National Community Service Act.

Ms. MIKULSKI. Will the Senator from Pennsylvania yield for a question?

Mr. WOFFORD. I yield to the Senator from Maryland.

Ms. MIKULSKI. First, I thank the Senator. I know he is tired from being the floor leader on this bill. The Senator from Pennsylvania is well known for his own work in voluntarism and the agencies he has headed up in Pennsylvania.

Am I correct in my analysis that once someone would volunteer, for example, for this modest debt reduction stipend, is it the Senator's belief that the young men and women would continue to volunteer, for example, in Red Cross—or, in a part-time model, if they were Scout leaders—they would then go on? Is this a one-shot deal where the private sector nonprofit organizations would just get a shot in the arm, or would that shot in the arm tend to be sustainable by the very young people who come, that they will keep on doing it?

Mr. WOFFORD. It is my opinion it is a shot in two arms. In one sense, it is a shot in the arm that will enable those full-time participants to leverage, to lead, to engage many, mainly part-time, unpaid volunteers. For example, the corps of such national service full-time participants can engage hundreds of young high school students who need leadership and structure if they are to give a Saturday or afternoon or a weekend of service. That is the one shot.

The other shot is the—The Peace Corps has proved it, VISTA volunteers are proving it, in Pennsylvania, the Pennsylvania Conservation Corps—if you can get the intense experience of a year of full-time service, it becomes contagious. As the Senator from Connecticut [Mr. DODD] said the other day,

the most exciting thing that ever happened in his life was his 2 years in the Peace Corps. And the volunteer service sector of society is going to find that coming out of this program are going to be—in the first year 25,000 and, as we grow, more—Americans who have caught the idea of active duty citizenship. They are going to continue, in a lifetime of service, the habits of the heart that we heard about from deTocqueville last night.

Ms. MIKULSKI. I thank the Senator for that. Is it not also true, as he observes voluntarism in Pennsylvania, so many of the groups that are so vital—for example, Meals on Wheels, for one—they do not provide weekend service which these could deal with, which would help? But is there also within certain of the nonprofit agencies an aging profile of the volunteer? I understand among the Meals on Wheels, many of the volunteers, of course, are elderly—for which we are grateful. But because women are now primarily in the marketplace, there is a deficit in volunteers among the number of volunteers, and also the volunteers that do have time are getting older and grayer. And would this not also help the nonprofit organizations, like Meals on Wheels and Red Cross, that are so important in the fabric of our society?

Mr. WOFFORD. In the Red Cross' terms, this will give a transfusion of a lot of new blood, young blood. Yes.

Ms. MIKULSKI. They have been running blood drives for a long time.

I thank the Senator for answering my questions.

Mr. WOFFORD. Mr. President, I would like to give the model of the Pennsylvania Conservation Corps and elaborate on it, because I think it is a clue to the heart of this bill. The motto come from the old CCC Program, but the motto is, "Serve, Earn, and Learn." But first of all it is serve. It is an opportunity to serve that comes at an early stage in life for young people and, therefore, helps them discover that the circle of service after a period of full-time service can be that of a lifetime.

The service summer that we have just begun, as a little beginning of this National Service Program, has found all over this country needs that people say can be met by full-time service, in this case for summer, and in this larger program, for a year.

For example, the immunization project in Philadelphia, and another one I visited the other day in Scranton. The problem of getting American children under the age of 2 vaccinated against diseases they do not have to have and which can inflict lifetime damage and extraordinary costs, is not primarily the cost of the vaccines. There are free vaccines and low-cost vaccines. But there is a lack of a delivery system, a health education system, a lack of people that will reach the

mothers, the families, the young people, and connect them with the clinics and the programs where the vaccines are available.

The area of Philadelphia, where there is the lowest record of children having vaccinations they need, which will save them tragedies and save the whole system enormous costs, is getting the volunteers full-time, doing it with intensity and teamwork. And the national service volunteers are doing just that in the city of Philadelphia.

Serve is the first principle. For anyone who thinks that full-time service is somehow undermining the part-time volunteering, I ask you to come and see some of our projects in Philadelphia. Or, I ask you to see the Fraternal Order of Police leaders I met with a little while ago, who say exactly what we need out of our police athletic leagues in areas where we are now moving into community policing and trying to work with the young people in the most devastated communities of our cities are some opportunities for full-time service so that they do not go out into the streets after they drop out of high school or graduate from high school, into drugs, into welfare, and into prison.

They need a challenge, and the challenge of service is what most of us most need: The need to be needed. The young man I talked about the other night who said, "I got tired of people helping me, doing good against me. The first time in my life somebody asked me to help was with the Philadelphia Youth Service Corps." That is what the young people of this country need. Above all they need to serve.

Do they need to serve, earn, learn? I submit they need to earn; that it is part of the American tradition of full-time service. In the first place, if you do not pay a stipend of minimum living expenses, whether in the Peace Corps or domestic peace corps of any kind, you are limiting the people who can be part of it to those who have a lot of means, or people who have an extraordinary art of scrounging off the land. Some people have gone out of Notre Dame with no living expenses, and they lived in basements with priests and they scrounged.

But if we want a quantum jump in full-time service and we want it to have the diversity that the Senator from Oklahoma talked about so eloquently, then there has to be the minimum living expense stipend.

Should there be or does there have to be an educational voucher of \$5,000, as this bill makes possible, for a year of full-time service? I submit that though it is not necessary, in terms of the service that some people will give for the sake of service alone, it is good to do. I do not say all of the aid to higher education should be conditioned on service, but I think a year or 2 of full-time service earns you the investment

that I had made in me by the GI bill of rights when I was in the Army Air Corps at the end of World War II. I think the investment after service, having that vote of confidence in you to take you on into the world of education, is an investment this country had done well to make.

The Peace Corps has been cited as an example of an organization that did not have a \$5,000 educational bonus at the end of the service. That is true and not true, because the Peace Corps' original readjustment allowance, if that were applied to the inflation in college costs in the years since the Peace Corps was formed, would be, as I calculated, not far from this \$5,000 allowance we are talking about now.

The service came first: Serve, earn, and learn. But with the serving came that investment in helping the Peace Corps volunteer move into the field of education when they came home.

And certainly that was the tradition of the Civilian Conservation Corps and the national service programs that this body has already approved in the National and Community Service Act of 1990. The demonstration programs for the national service provided the \$5,000 bonus.

The City Year, started entirely by private funds in Boston, concluded that a \$5,000 bonus, educational voucher, an opportunity that they could get at the end of the year of service, was something that added to the healthiness of the program.

Remember, you are not seeking saints in this program. You are hoping that healthy, normal, average, mixed motive Americans will participate and work together in it.

We were warned at the beginning of the Peace Corps when everybody said you must make it entirely that of sacrifice and suffering and find only people who are entirely altruistic. David Reesman came down, a sociologist, and said, "You are crazy. A saint would not need the Peace Corps. Mother Teresa does not need the Peace Corps. You want the normal, healthy Americans with mixed motives, and one of the healthiest mixed motives is, out of this service I am going to get some help in going on to college and higher education."

I say those of us who were in military service understand that, too.

Others are ready to speak, so I will not elaborate on the learn of the serve, earn and learn. But the time will come in this debate when I will have a chance to talk about learning through national service. I understand Senator GRASSLEY is ready to speak.

Mr. GRASSLEY addressed the Chair. The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I have been impressed and moved in recent days, as I am sure a lot of my colleagues have, as I have watched my

constituents and citizens in other flood-ravaged areas lay aside their own personal concerns and serve their neighbors. The tragedy of Midwest flooding, which has covered the Mississippi River Basin, is unprecedented in its scope and unhindered in its destruction.

But the citizens of the affected States, including my State of Iowa, have demonstrated the spirit of America: Service to one's fellow community members. This is at the heart of voluntarism: People coming from nationwide to serve a devastated area.

Let me provide an example of the kind of voluntarism and service of which I speak. Last weekend—as I go home every weekend—but in recent weekends, I have taken the time to assess the damage to our citizens, the damage to our property, the damage to crops, the loss of jobs. Those of us in public life, having not really been on the front line like the people who are filling sandbags every day, but we are there to encourage them and we go around and help where we can, I tried to assist where I could as well.

I just would like to report what I observed. I think that what we observed in the States of the Midwest, not just in Iowa, is short of amazing.

I remember visiting with people in line at the Disaster Service Center, I think it is called. The facility happened to be Hyatt School in Des Moines, IA, where all of the Federal agencies come in with employees from even other States to help out in our State. Also, the private sector agencies, like the Red Cross, the Salvation Army, the local churches, come in to help people in need.

I had an opportunity to visit with all the patient people who were standing in line at that particular place waiting for help. I remember one woman who was standing there waiting for help had just recently come to our State from another State. She had been devastated in this short period of time by damage done to her personal belongings and also she was in need of help. But she said it was nothing short of phenomenal how much Midwesterners were helping each other, and how patient people were as they stood in line there, and how quickly it seemed people of need were being processed through the paperwork.

She said, and I will not say where she came from, where I came from this never would have happened, neighbor helping neighbor, the level of cooperation, the level of self-sacrifice that she saw in Iowa in the wake of this disaster, how people had put aside concerns of their own circumstances to help a neighbor avoid destruction of his or her property instead.

In this long line of people who had immediate needs, there was not one person complaining, and I think in American society if people are going to

complain to anybody, they will surely complain to their political leaders.

I guess I was surprised that there was not one complaint about the work of the Government agencies, because we had seen that in disasters, in past disasters, but I have not heard that and I was not hearing it from those who had need who you would think might be the first to complain that something was not just right.

I would give another example of voluntarism. In Des Moines, on Sunday night, there was a joint church service which I was invited to attend, so I did go. It was something that was very hastily put together by church leaders. Probably no earlier than Wednesday night did they make plans for this Sunday night service. It was held in one of the larger churches of Des Moines, capacity of about 4,000, a place where I have a chance to worship on occasion that I am in Des Moines over Saturday night. About 3,500 people showed up. The church leaders that formed this service, and if I did not say so, there were probably about 150 churches involved in the effort, asked for money, and they asked for volunteers. They have set a goal of raising \$100,000 from the community, most of it coming from efforts of these individual churches.

At the end of this service, which lasted about 2 hours, they asked people who could volunteer time for the next three Saturdays to help clean up homes and businesses devastated by the flood. They said they would like to have 500 people separate out of the large crowd and 460 did volunteer that very night, including another small group of people they asked to donate 30 hours a week of volunteer time if they felt they personally had leadership and management ability so they could manage the efforts of the other 500 volunteers. And that need was met as well.

Now, this is not the only organizational meeting in central Iowa to help people in need. There are other private groups, there are other church groups that are doing the same thing. I just tell you what I know about firsthand.

Now, of course, this kind of voluntarism is moving. That is the essence of self-service, of inspiration, of service. That is the principle that must be captured and, I hope, the sort of inspiration that can be fostered if Congress passes legislation to encourage voluntarism.

I think to some extent, however, the underlying bill turns the principle of voluntarism on its head. Instead of self-sacrificing, motivated by the attainment of high ideals, we will have a cadre of professional volunteers with the attitude that the giving of one's self comes with a price. It is as if to say if you want my service, you will have to pay for it. What a valued principle to teach our children. The spirit of service is self-service. We must not

break the spirit, as I fear we might do with this legislation we have before us with its emphasis on pay for service.

We saw the real spirit of service also last year after Hurricane Andrew wracked Florida and before that with the earthquake that devastated California.

This is the spirit of America. It was demonstrated in the early days of our country by those who helped raise a new barn or a house for one lost in a fire or for a newly married couple or it might even be involved today with the Amish community who will help rebuild a barn that has been destroyed in a tornado.

It is demonstrated daily by the millions of Americans who serve food in their local soup kitchens, build homes for Habitat for Humanity, and make visits to the elderly. This is the spirit of America, and it is the light that makes our Nation different from other nations. It is the very same principle and attribute that de Tocqueville discovered in America when he toured here 160 years ago and spoke more eloquently about than any of us can.

Service to others cannot be imposed and centralized. The underlying bill swims against the tide of a reinvented Government that will soon be announced by our Vice President. Senator KASSEBAUM's approach was more consistent with a reinvented Government. It was less centralized and more community oriented.

Genuine service is the outward expression of a concern for others that is placed above a concern of self. It cannot be mandated. It cannot be bought. It must be freely given or it is not truly service.

This bill attempts to accomplish at the Federal level what must spring from the heart of an individual. It makes the mistake that so many Federal programs make—to try to federally accomplish and motivate individual compassion.

Compassion by individuals cannot be imposed and centralized any more than service can be. It is the product of being inspired by the example of another. It springs from the heart of one who places another's needs above his own. It cannot be rewarded by money or goods. It is rewarded by the hug of a child, the smile of an old man, or some other form of recognition.

For example, several years ago, I introduced and Congress passed Concurrent Resolution 32 which encouraged employers to recognize voluntarism as work experience when considering applicants for employment.

While I have been moved and challenged by the service I have seen in response to the recent flooding in my State, I am equally moved by the daily service of individuals in congregate care centers and soup kitchens. I do not believe that the bill before us is a way to encourage this service. This

kind of service springs from the heart and the community.

It has been said that what makes America great is that America is good. If America ceases to be good, it will also cease to be great. I believe we as individuals should encourage service in our personal lives and in our communities. I believe we as Senators must return to the belief that we are truly public servants, but I do not that this conviction can be coerced, mandated, or bought.

I have doubts, as I have indicated in my remarks, about the underlying bill before us, not because I oppose national service. I will vote, as I voted for Senator KASSEBAUM's bill I think, against this bill because I believe that part of being a servant is recognizing what is true, that genuine service cannot be bought but must be inspired by personal example.

I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

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

The PRESIDING OFFICER. There is an amendment pending.

Mr. MCCAIN. I ask unanimous consent that the pending amendment be laid aside for the purposes of proposing an amendment.

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

AMENDMENT NO. 607

(Purpose: To make veterans eligible for national service educational awards)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 607.

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

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

The amendment is as follows:

On page 9, strike line 14 and all that follows through page 10, line 2 and insert the following:

“(c) PROVISION OF APPROVED NATIONAL SERVICE POSITIONS AND PROVISION FOR NATIONAL SERVICE EDUCATIONAL AWARDS.—

“(1) IN GENERAL.—As part of the provision of assistance under subsections (a) and (b), the Corporation shall—

“(A) approve the provision of national service educational awards described in subtitle D for the participants who serve in national service programs carried out using such assistance; and

“(B) deposit in the National Service Trust established in section 145(a) an amount equal to the product of—

“(i) the value of a national educational award under section 147; and

“(ii) the total number of approved national service positions to be provided.

“(2) VETERANS.—The Corporation shall periodically deposit in such National Service

Trust an amount sufficient to provide national service educational awards to persons eligible for such awards under section 146(a)(2).

On page 34, line 16, strike the period and insert ", in addition to the maximum possible obligations to be incurred by the United States to provide national service educational awards to persons eligible for such awards under section 146(a)(2)."

Beginning on page 73, strike line 13 and all that follows through page 74, line 15 and insert the following:

"(a) ELIGIBLE INDIVIDUALS.—An individual shall be eligible to receive a national service educational award from the National Service Trust if the individual—

"(1)(A) successfully completes the required term of service described in subsection (b) in an approved national service position;

"(B) was 17 years of age or older at the time the individual began serving in the approved national service position or was an out-of-school youth serving in an approved national service position with a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9);

"(C) at the time the individual uses the national service educational award—

"(i) has received a high school diploma, or the equivalent of such diploma;

"(ii)(I) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of section 484(d) of the Higher Education Act of 1965 (20 U.S.C. 1091(d)); and

"(II) meets the requirements of section 484(a) of such Act; or

"(iii) has received a waiver described in section 137(c); and

"(D) is a citizen of the United States or lawfully admitted for permanent residence; or

"(2) subject to such standards and procedures as the Secretary of Defense and the Director of the Corporation shall jointly determine by regulation to be appropriate to limit the number of persons eligible to receive such an award under this paragraph, is a person—

"(A) who served—

"(i) on active duty in the Armed Forces for a period of not less than 2 years; or

"(ii) in a reserve component of the Armed Forces for a period of not less than 4 years;

"(B) who is discharged honorably from such service after October 1, 1995.

On page 74, strike line 19 and insert the following: 139(b). A person eligible under subsection (a)(2) shall be considered to have completed two such full-time terms of service, and such terms shall be considered to have been completed on the day on which the person is discharged or released as described in section 146(a)(2).

Mr. McCAIN. Mr. President, I rise today to offer an amendment to the legislation currently before the Senate, the National and Community Service Trust Act. This amendment would very simply permit those individuals who put their lives on the line for our country in service through the military to enjoy the same educational benefits as those who provide community service.

Specifically, this amendment states that any American citizen who has served 2 years of active duty, and has received an honorable discharge, or 4 years in the Guard or Reserve, will be eligible for the same educational benefits as someone who performed commu-

nity service under the National Community Service Trust Act.

I do this, Mr. President, primarily for the purpose of equity. If this legislation were passed—and I am confident that it will—those who have engaged in community service would be in an advantageous position over those who have served in the military.

The initial investment made by a person who is eligible under this act is zero. The present GI bill requires a \$1,200 contribution over the first 12 months of service in the military. The amount of education assistance that would be awarded under this pending legislation is \$10,000 over a period of 24 months. The GI bill allows 14,000 dollars' worth of education over a period of 36 months.

This amendment basically allows a member of the military who is honorably discharged, with the minimum of 2 years active duty, or has served a minimum of 4 years of Guard or Reserve service, to be eligible for benefits under the Community Service Program.

Unfortunately, this legislation, if it passes in its current form, is going to create an inequity for those who serve in the military versus those who provide community service. It establishes an educational grant program, through which individuals may receive up to \$5,000 a year, for up to 2 years, toward their education. Military service—whether active duty, Guard, or Reserve service, however, does not count toward one's eligibility under this program. That is wrong, and this amendment would make these people eligible for the same benefits as those who provide service in their community.

As my colleagues know, those in the military do currently have access to an education benefit, but the GI bill is very different from the benefit being established under this program. Under the GI bill, military personnel contribute toward their education benefit—under this program, those giving service do not. These programs are very different, and should not be confused.

Mr. President, I have no illusions that this bill is going to pass—for it is certain to pass. But, Mr. President, military service ought to be viewed the same under this legislation as community service. This amendment would ensure that parity indeed does exist.

Mr. President, many of us remember when then-President John F. Kennedy captured the imagination of a nation when he uttered the words: "Ask not what your country can do for you; but what you can do for your country." The words were new, but the concept was not. For, throughout the history of our Nation we find shining examples of individuals who have reached out to those in need.

We are a nation of service. Whether it be service to country through the military, service to community

through those who are on this very day pitching in to help those in the flood ravaged areas of the Midwest, or service to individuals through the meals being delivered on this very day to home-bound seniors in communities in cities and towns all over America. We are indeed a nation that cherishes service—a nation of individuals that respond to nations, communities, and individuals in need.

But many, including this Senator, have been of the view that we ought to harness this ethic of service and create a program that renews a public spirit among America's young people, enables us to meet vital community needs, and meets an anticipated fall-off in personnel available to the military. It is time to give new meaning and purpose to the words—duty, honor, country, and civic responsibility.

The question before us today is not whether a program should be created to harness this ethic, but what type of program ought to be created. No one shares President Clinton's goal for expanding public service more than this Senator, for I believe the legacy of a great nation is rooted in the service to others—whether it be through military or community service. In fact, 4 years ago, I authorized legislation that would have created a national service program. But, Mr. President, a review of the legislation that is before us today has left me very troubled.

First, the bill is too costly. While the Congressional Budget Office has estimated that the cost of this program to be \$3.6 billion over 5 years, it is the President's own budget that provides a window into reality. It estimates the actual cost of the program to be \$10.8 billion over 5 years—triple that of the CBO estimate. And, they ought to know, as it is the administration that will control the growth of this new tax and spend program.

Mr. President, the American people have one clear message for this Government—bring spending under control. This bill fails to heed this message. While I believe the American people have indicated their support for a national service program, they are going to understandably be upset when they learn how much it costs. It is little wonder they think this Government is out of control.

The simple fact is, Mr. President, with our enormous budget deficit, we cannot afford to increase spending on existing programs, let alone expansive new Federal programs.

Second, the bill is too bureaucratic. On first glance, it appears that the proposal builds on the existing foundations of programs like VISTA and ACTION, and the Commission on National Service. However, it actually creates a new superstructure—the Corporation for National Service—under which existing entities will continue to operate. And, functioning right beside this new

entity will be the existing agencies and programs, like ACTION and VISTA. What's more, it threatens local initiatives that have led to the community service successes that all of us are hailing today. This is duplicative, at best.

Third, the bill misdirects education resources. Half the cost of the program would be spent on education programs, yet only 150,000 individuals would benefit. As my colleague from Oklahoma, Senator NICKLES, pointed out yesterday, the cost of the program amounts to some \$16,000 per person rising to \$33,000 per student by 1997. Pell grants, on the other hand, only cost the Federal Government \$1,335 per person. Perhaps the money would be better spent expanding existing programs.

Last, Mr. President, the new program that this bill seeks to create would offer benefits richer than those available to those who serve in the military. The President's proposed draconian cuts in the defense budget already will erode the ability of the military to attract the quality and number of recruits to meet our national security needs. This new proposed program will greatly exacerbate what is already a critical problem.

The amendment I am proposing would simply ensure that individuals who faithfully serve in our Nation's military, and are honorably discharged or continue to serve in the National Guard or Reserves, would be able to participate in this new program. As designed, this national service program does not permit these individuals to be eligible for the education grants. This amendment simply ensures that they will be eligible—just like those who perform community service.

Before I leave this point, I would like to ask unanimous consent that a column authored by my colleague BOB STUMP from Arizona that appeared in Monday's Washington Times be printed in the RECORD.

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

NATIONAL SERVICE UNDERTOW

(By Bob Stump)

How important is it for our volunteer military services to attract young Americans in the next five years? Not very, if you judge by the Clinton administration's actions. The nonmilitary national service plan, a long-time Clinton goal, proposes to offer a better level of education benefits than the armed services and threatens to decimate recruitment. It is rapidly working its way through Congress, and will be considered by the House this week.

The competition for the best and brightest of our young people grows increasingly intense because the pool of 18- to 25-year-olds is shrinking at a time when schools, industry and the military all need to attract qualified new entrants. Schools, whether academic or technical, have certain requirements of ability and educational attainment. For increasingly technological industries, the same is true. And warfare has gone electronic, even in the infantry President Clinton's national

service plan adds another competitor whose attractiveness will be defined by Congress as it acts on the proposal.

This competition would only compound increasing recruiting difficulties resulting from a widespread misconception among young people that the armed services are not recruiting because they are being reduced in size. Certainly the numbers of men and women in uniform are being reduced, but the United States will continue to maintain one of the world's largest standing military forces and will continue to rely on volunteers to fill its ranks.

Last spring the Army, for the first time in many years, had to accept some volunteers who tested low in mental aptitude to meet its quotas. Commanders are concerned, since the Army cannot readily use many of these soldiers on the high technology battlefield. They are unable to master complex weapons systems fast enough to do most jobs. Military recruiters say the overall quality of recruits remains high for now, but they doubt it can be maintained with a superior national service program education benefit added to the obstacles they already face.

The G.I. Bill provides \$4,800 in education benefits per year for up to three years, but the service member must commit to three years of service and pay \$1,200 in his or her first year to qualify for the benefits. Refusal to complete the service commitment is a crime.

Compare this with the national service plan, which provides \$5,000 in education benefits per year for up to two years to students who need not put up a dime, who commit to only one year and who can walk away at any time without penalty. This stark contrast does not even take into account the fact that a service member faces the dangers, hardships and separations from home that are unique to military life.

The best and the brightest won't have much trouble figuring out which is the better deal. For many of them, the education benefit will be the deciding factor. This is especially true because the Clinton administration has simultaneously proposed increasing the \$1,200 upfront pay reduction to qualify for G.I. Bill benefits while also proposing to freeze military pay. In a May 4 letter to members of Congress, the American Legion expressed its disappointment and deep concern about the inequities between the national service plan and the G.I. Bill.

Congress must significantly reduce the level of national service plan education benefit or it will siphon off many of the recruits our armed service would otherwise attract. The all volunteer force has achieved the highest quality armed services in history. That quality would be quickly lost if the national service plan passes in its present form, and it would take years and enormous cost to regain.

Mr. MCCAIN. Mr. President, BOB STUMP makes a couple of very important points. One of them is:

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Mr. President, I have a letter here from the Non Commissioned Officers Association. They state in it:

DEAR MR. MCCAIN: The Non Commissioned Officers Association of the United States of America (NCOA) is pleased to support your amendment to H.R. 2010, the National Service Program Trust Act of 1993, to allow individuals who have honorably served in the military services of the Armed Forces (active, National Guard or Reserve) to be eligible for educational benefits under the National Service Program.

Your amendment which would permit honorable military service to satisfy the service requirement for qualifying for educational benefits under the National Service Program is strongly supported by NCOA. The Association believes that military service represents the highest form of National Service and therefore should be rewarded accordingly. Further, your amendment recognizes that educational benefits acquired under the Montgomery G.I. Bill have been bought and paid for by the service member. Your amendment fully recognizes the unique and arduous demands and sacrifices associated with service in the Armed Forces.

NCOA appreciates this opportunity to provide our comments. As always, we sincerely appreciate your steadfast support of the Armed Forces.

Sincerely,

LARRY D. RHEA,
Deputy Director of
Legislative Affairs.

Mr. President, I am not even going to go into the differences in service, because I believe that service to one's country, whether it be on the battlefield, or in the streets of our cities, is a laudable and indeed honorable form of service.

But it is a fact that service in the military does entail greater risk. As we speak, American's lives are in danger in Mogadishu. There are American troops in Macedonia. There are men and women all over the world, poised, if necessary, to sail into harm's way.

The fact is that these men and women, in return for their service, will receive less in the form of educational benefits than that proposed under this legislation.

The hour is late. I had planned on talking about the enormous costs associated with this legislation and what went from a simple concept into a 571-page document, which I doubt if all of my colleagues have had the chance to read or peruse. The simple concept of national service turned into a 571-page bill which, frankly, has aspects to it

which we will be finding out in the weeks and months to come, as this legislation is enacted.

My concept of national service is true national service. My concept of national service is that men and women would go to work in our communities as volunteers and be rewarded for their service by the appreciation and applause of their fellow countrymen, and especially those who can afford to pay for their own education would be, of course, not accorded any particular benefits. That is the true concept, in my view, of national service.

What this has turned into is a \$10.8 billion new tax-and-spend program, which I do not think in any way comports with what most Americans believe national and community service is all about. Mr. President, in my view, this legislation will be passed, and this amendment at least provides some equity for the men and women who serve honorably in the armed services, as well as those who serve honorably in our Nation's communities.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I am just wondering if, before the Senator leaves, he could estimate what the cost of his particular amendment is.

Mr. President, 2 million recruits times 5,000 is \$10 million, unless my math is off. I listened as the Senator was complaining about our particular proposal of \$384 million, of which \$100 million has been appropriated to continue to work for community service, and the complaints about our program, and then the amendment he has is 2 million times 5,000, and that would be \$10 million. Would the Senator tell me, is that true?

Mr. McCAIN. Mr. President, in response to the Senator from Massachusetts, obviously that would not be the total cost. In point of fact, though many might be eligible, the number of slots does not increase.

Mr. KENNEDY. I am trying to get the Senator to tell us the cost of his amendment, the differential between what is provided for at the present time and what would be provided for in his amendment.

Mr. McCAIN. Mr. President, I guess my response to the Senator from Massachusetts is that I do not know the additional costs. I do know about the issues of fairness and equity, and as I stated, there would be no additional cost because the number of slots does not increase under my amendment.

I had no idea there were 2 million recruits this year. I do not know where we could possibly get that figure. But since the size of the military is supposed to go down to about 1.4 million—

I will not, frankly, argue with any number that the Senator from Massachusetts comes up with. My argument is on fairness and equity, and if the Senator feels it is too expensive for fairness and equity to be allowed, then certainly I respect his view.

Mr. KENNEDY. All I am trying to get is the facts, because the Senator was very free with facts and distorting the cost of the current bill. He mentioned \$10 billion, and then when asked about the cost of his own proposal, he does not have it. So he has the cost of our bill but does not have the cost of his own amendment.

As I understand it, Senator McCAIN perceives there to be a \$600 differential for those that are receiving the GI bill educational benefit and our national service educational benefit. That perception is incorrect. But if we take this \$600 figure and multiply it by all the 2,000,000 men and women eligible for GI bill benefits that would total \$1.2 billion.

Mr. President, I will get on to the substance of the McCain amendment.

First of all, I have been around here long enough to understand, for those who oppose a particular proposal, their favorite tactic is to distort and misrepresent and put a false price tag on it. That has been done here.

This Senator fails to understand how he proposing an amendment with a \$10 billion price tag when we are talking about a national service program of \$394 million and such sums in the future. Even if our program grew, it would not remotely cover the Senator's proposal.

The Senator ought to read a little more carefully the educational benefits provisions of the bill. The fact of the matter is if you get an educational benefit and you are as wealthy as Donald Trump's son, or if you have an income, this is considered an add-on to your income and you pay income tax on your educational benefit.

We want to try and deal with as much fact as we possibly can when we are talking about the substance of this amendment.

Mr. President, I will not take additional time to talk about the other misrepresentations, specifically with regard to this proposal.

A similar proposal was offered in 1990 on the National Community Service Act which was defeated 54-41.

The fact is, as I said earlier, that our bill does not pay more than the GI bill in educational benefits. National service participants can serve for 1 or 2 years. If we compare the educational benefits of a national service participant and a military participant, the national service participant would receive \$10,000 for 2 years, or \$5,000 a year; the military participant would get \$11,700 of which the participant would contribute \$1,200; that is, the military participant would get \$10,500

or \$500 more. I will not get into the other kinds of benefits that military personnel get like housing and food and higher salary that national service participants would not get.

Mr. President, this issue came up earlier when the President proposed \$6,500 as an educational benefit. That was reduced to \$5,000 in an agreement with leaders on benefits for GI's like Congressman MONTGOMERY.

It does not do much good to compare apples and oranges, a 2-year national service benefit versus a 3-year military benefit. For military personnel who serve the same amount of time as national service participants, military personnel will receive more. We have worked very closely with Congressman MONTGOMERY, the author of the GI bill, who he has warmly endorsed the national service legislation and was a co-sponsor. He approves of the educational benefits in this legislation, and in his own evaluation, in terms of military recruiting and equity, is satisfied with our plan. I know that they were important concerns to the chairman of the Armed Services Committee as well.

I will not speak to his reaction to the amendment of the Senator from Arizona, but I do understand from his earlier statements that he is in support of the basic proposal for the reasons which he outlined earlier today. And it would be astounding to me that he would embrace and support education and an educational component in this program that would be in conflict with those in the defense authorization when he, as well as Congressman MONTGOMERY, was so instrumental in fashioning and shaping those particular programs.

So, Mr. President, I hope the Senate will not accept the Senator's amendment.

Mrs. KASSEBAUM. Mr. President, if I could ask a question of the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mrs. KASSEBAUM. I ask this for some clarification, perhaps, because it was my understanding that this bill does not expand the number of participants in the national service program. Is that correct?

Mr. McCAIN. Yes. I answer my friend, yes.

Mrs. KASSEBAUM. It is just that those who are serving in the Armed Forces who choose to be a part of, and apply for the National Service Program, after serving 2 years in the armed services, could then be eligible to participate in the national service program and they would have to forego their participation in the GI bill; is that correct?

Mr. McCAIN. That is correct.

Mrs. KASSEBAUM. So, my understanding is that this amendment does not propose any additional cost or expansion to the national service program. It just provides that if veterans

so choose to give up their access to benefits under the GI bill, they could then be participants in the national service program?

Mr. MCCAIN. In fact, the amendment would not preclude individuals who have paid into the GI bill from receiving that benefit if they chose. But, they would no longer have to pay into the programs to get the education benefit—it would be their choice.

Mrs. KASSEBAUM. I thank the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, unlike the Senator from Massachusetts, I will not say that he is distorting or has misrepresented his position on this issue. I regret that he has accused me of doing that. I think it lowers the level of the debate and, frankly, shows a degree of disrespect that I will not show him. But the facts are facts.

The fact is that the initial investment under this plan is zero for those who engage in the national service plan.

If that is incorrect, I would be glad to be corrected by the Senator from Massachusetts. The GI bill requires an initial investment of \$1,200 over 12 months, and the amount of education award is \$1,000 over 24 months. For the GI bill, it is \$14,400 over a 36-month period.

I would like to have those who served in the military to have the option of taking advantage of the national service plan.

Again, I do not accuse the Senator from Massachusetts of distorting or misrepresenting his position on this issue. I would be glad to hear the facts as he knows them. But if he would like to engage in this kind of debate, I believe that I stand ready to do so, although I am not sure what it contributes to the debate by accusing one another of being less than candid, in the words of the Senator from Massachusetts, distorting and misrepresenting the case.

So, Mr. President, I think it is important to note that this would not increase the cost. There are not 2 million Americans in the armed services today. Some wish maybe they were. I believe the latest number I remember is 1.6 million. But that has nothing to do with this debate.

I yield the floor, and I am ready to urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am prepared to yield.

We would not be delaying at this time if we had access to the amendment earlier so we could understand the amendment's provisions.

Precisely how many members of the Armed Forces would be eligible for this particular proposal?

Mr. MCCAIN. Mr. President, I say to the Senator from Massachusetts that it

is not clear exactly how many would be eligible for this program. The requirements, the eligibility, would be those who would have achieved 2 years of active duty service and were honorably discharged, or served 4 years in the Guard and Reserve.

I do not know the estimate of the number, nor frankly do I particularly care, since I am proposing this amendment not on the basis of cost, not on the basis of numbers, but on the basis of fairness and equity to those men and women who serve in the military, some of them even in Somalia.

Mr. KENNEDY. Mr. President, I regret the Senator takes some offense to a question just about who would be eligible. The Senator cannot tell me how many would be eligible.

As I understand, the National Guard and Reserve would be eligible, as well, if they meet the 4-year requirements?

Mr. MCCAIN. What this Senator took offense to, Mr. President, was the allegation that the Senator was misrepresenting and distorting his position, or anything else, on the floor of the U.S. Senate. That is what the Senator took offense about, and that is what I believe most Senators would take offense about.

I do not know the answer to how many people would be eligible for it. I said that at least four times now to the Senator from Massachusetts.

Mr. KENNEDY. I regret if the Senator thinks I am distorting the Senator's position, when the Senator cannot state his own position; he cannot tell us how many are going to be eligible in the armed services; he cannot tell us how many are going to be eligible in the Reserve; he cannot tell us how many will be eligible in the National Guard. When asked how many would be eligible under this program, he takes offense to that and says he does not care, because all he is interested in is the issue of equity.

We have tried on the—

Mr. MCCAIN. Will the Senator yield?

Mr. KENNEDY. I am not prepared to yield at this time. I will in just a moment.

On the fundamental issue of the questions of education benefits in the military, it was initially sponsored by Congressman MONTGOMERY in the Armed Services Committee in the House of Representatives and by the Senator from Massachusetts in the Armed Services Committee in the Senate. I was a principal sponsor with Senator GLENN on that measure as a member of the Subcommittee on Personnel, so I have both some familiarity and interest in this issue.

Now, what is a legitimate question is: How do the educational benefits for full time participants compare with those that are in the Armed Forces.

What I am prepared to represent to the Senate of the United States is that, after careful review by those who were

the principal sponsors of the Educational Benefit Program in the House of Representatives, Congressman MONTGOMERY, and by the chairman of the Armed Services Committee, they believe that the balance which has been reached in this area that is equitable and are satisfied of the advantages that continue to exist with the military education program.

Now, that is the best I can do in trying to debate this issue, since I really have difficulty in being able to understand it.

I would say that we received this just a short while ago. We have been out here debating this for some period of time. For a few moments of that time, I was talking to Senator NICKLES about his preference to move to his amendment tomorrow. So I would be glad to debate this matter with the Senator, but that is really the best that I can do with the measure that we have had and with the help and assistance of the Armed Services Committee staff that are here.

Mr. ROCKEFELLER. Mr. President, as chairman of the Senate Veterans' Affairs Committee, I am very sorry to see this amendment. There is absolutely no reason, no justification, no good done in trying to pit veterans against national service and the legislation before us. There is enough room in our society for our citizens, of all ages, to serve through military service and/or through community service.

As conceived in this legislation, national service is not going to be competitive with military service and the Montgomery GI bill. Each program is vital to our country. They are complementary, not competitive, and not in conflict with one another.

My colleagues should know that President Clinton has discussed this very issue with the chairman of the House Veterans' Affairs Committee, SONNY MONTGOMERY, who is the proud parent of the current GI bill. President Clinton has met with leaders of the veterans service organizations, and as a result of discussions with veterans leaders, adjustments were made in the President's plan. Specific attention was paid to their concerns in the drafting of the legislation, and there is not a conflict. The President made sure that his initiative would not undervalue or undermine military service or the Montgomery GI bill.

By only focusing on money—the financial benefits form the Montgomery GI bill versus the educational vouchers of the National Service Program—we are undervaluing both programs and the young people who participate.

The appeal of both military and civilian service depends on much more than monetary benefits alone. The Montgomery GI bill awards for 3 years of service are proportionally smaller than those for 2 years, yet most recruits sign up for 3 years anyway.

Under the GI bill, soldiers get \$10,500 in benefits after 2 years of service, and \$13,200 in benefits for 3 of service. More than the national service educational voucher.

And is it not much more than the promise of the GI bill that lead young men and women to enlist in our armed forces? Aren't patriotism and love of country part of the so-called payoff that our Armed Forces seek out as well?

Neither the GI bill nor the educational voucher are financial bribes to get individuals to enlist or students to volunteer for service. I believe it is a higher calling and dedication that motivates people to answer a call to military service or public service—both distinguished missions.

As chairman of Veterans' Committee and a cosponsor of this legislation, I oppose Senator MCCAIN'S amendment and urge my colleagues to do the same.

Mr. WOFFORD. Mr. President, is the Senator from Arizona aware that the \$5,000 amount was worked out with Representative SONNY MONTGOMERY and has his strong support as being less than the educational benefits coming from military service?

Mr. MCCAIN. The Senator from Arizona is very well aware that Congressman MONTGOMERY, whom he has known for many years, may have agreed to support this legislation.

The Senator from Arizona is also aware that the American Legion, the Non-Commissioned Officers Association, the Veterans of Foreign Wars, and the men and women who I have talked to in the military think this proposal is highly inequitable to members of the military service.

Mr. WOFFORD. The Senator from Arizona has given the hardest kind of national service. I respect him deeply for that.

But could I just ask a few questions in terms of the benefits in the military now in our peacetime service.

Is it the Senator's understanding that the basic pay for 2 years of active duty is \$21,000 a year, assuming the service member is living on the base and has free housing?

Mr. MCCAIN. I am aware that 80 percent of members of the United States Marine Corps make less than \$22,000 a year. In point of fact, most of the people we are talking about get less than \$10,000 in salary; \$1,200 of which they must pay toward the GI bill if they want the education benefit.

I am aware that, while engaging in national service, the minimum wage salary of \$5 times 1,700 hours would be \$8,500 for 24 months; that a stipend of \$95 a month for 24 months would be \$2,280 for 24 months; that they would be reimbursed for living expenses incurred; that child care value for those engaged in the national service would be \$6,700 for 24 months; that the health care value would be \$2,880 for 24

months; and that the total program value would be \$30,360 for those engaged in the National Service Program.

So, in answer to the question of the Senator from Pennsylvania, he just pointed out an incredible discrepancy where people who are serving in the military get \$21,000 a year and those who are in the national service get a total program value of \$30,360 for 24 months of service.

So, yes, I am aware of the statistic cited by the Senator from Pennsylvania.

(Mrs. BOXER assumed the chair.)

Mr. WOFFORD. Madam President, each of those items we might debate.

But I would like to restate that what a full-time participant in national service receives is a \$5,000 educational voucher at the end of the year of full-time service and twice that if he gives 2 years of service; essentially, a minimum wage providing otherwise all of the living expenses that he will have and a health care benefit which, for young people and healthy young people, is not very much. It is \$13,000 in direct costs. And for that, the full-time participant in national service is giving a lot more than a dollar's worth of service for each dollar earned in that program.

At this point, I move to table the amendment.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is now a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. If I could inquire of the Senator—I see the Senator from New Mexico is here and earlier we were trying to accommodate the conferences on the Finance Committee—would it be agreeable to the Senator from Arizona that we stack this vote; that we go to the Domenici vote, and then consider those in order? I believe the majority leader would prefer it that way. It does not make a great deal of difference.

Mr. MCCAIN. Yes.

Mr. KENNEDY. I appreciate very much the Senator's accommodation on this. Maybe we could move toward the debate now on the amendment of Senator DOMENICI.

The PRESIDING OFFICER. If I might state, under the motion to table, we need to resolve that motion before there is any debate.

Mr. KENNEDY. Madam President, I ask that the Senator from Pennsylvania withhold that particular motion at this time. Would the Senator withhold?

Mr. WOFFORD. The Senator would do so.

Mr. KENNEDY. Then I would ask unanimous consent that it be in order

at the conclusion of the vote on the Domenici amendment—well, it will be my intention, with the understanding of the leadership, to make a unanimous-consent request that will permit the disposal of these amendments seriatim.

The PRESIDING OFFICER. The motion to table would need to be withdrawn at this time and made at a later time.

Is there such a unanimous consent request?

Mr. DOMENICI. Reserving the right to object, Madam President.

Let me say to Senator KENNEDY, I am not sure that I am going to offer the amendment tonight. I do have three amendments. I will offer them. I am going to speak tonight for a while on the bill and make some points. I am not sure that I am ready with the amendments, so I do not want to mislead anybody.

Mr. KENNEDY. Madam President, I hope the request of the Senator from Pennsylvania would be renewed and we move toward disposition.

The PRESIDING OFFICER. Has the motion to table been renewed?

Mr. WOFFORD. Yes.

The PRESIDING OFFICER. The motion to table has been renewed.

Mr. KENNEDY. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCAIN. Madam President, can I know the parliamentary situation at this time?

The PRESIDING OFFICER. The question is on the motion to table. This amendment must be disposed of. The motion to table must be disposed of before we proceed.

Mr. MCCAIN. Madam President, I ask if the Senator from Pennsylvania would be willing to accept a unanimous-consent agreement to delay this vote at least until after the Senator from New Mexico has spoken? Is that an unanimous consent agreement?

Mr. KENNEDY. Reserving the right to object, we have this amendment and the Coverdell amendment. The leadership indicated to us they wanted to move ahead.

If Senator DOMENICI was prepared to vote we would stay in and address that. Since Senator DOMENICI is not sure whether he would or would not and continues to want to talk, they thought at least we would be further along in the procedure if we proceed in this way.

It would be my hope we would move on the tabling motion on the amendment of the Senator from Arizona and then dispose of the Coverdell amendment subsequently, so we would have two votes.

So, as I understand it, the tabling motion has been made. Am I correct?

Mr. WOFFORD. Yes.
The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. There is no debate on the tabling motion, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Vote.
The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Arizona. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Colorado [Mr. CAMPBELL] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. COATS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—56

Akaka	Feinstein	Mikulski
Baucus	Ford	Mitchell
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boren	Harkin	Murray
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Inouye	Pryor
Bryan	Jeffords	Reid
Bumpers	Johnston	Riegle
Byrd	Kennedy	Robb
Conrad	Kerry	Rockefeller
Daschle	Kerry	Sarbanes
DeConcini	Lautenberg	Sasser
Dodd	Leahy	Shelby
Dorgan	Levin	Simon
Durenberger	Lieberman	Wellstone
Exon	Mathews	Wofford
Feingold	Metzenbaum	

NAYS—42

Bennett	Gorton	McCain
Bond	Gramm	McConnell
Brown	Grassley	Murkowski
Burns	Gregg	Nickles
Chafee	Hatch	Packwood
Cochran	Hatfield	Pressler
Cohen	Helms	Roth
Coverdell	Hutchison	Simpson
Craig	Kassebaum	Smith
D'Amato	Kempthorne	Specter
Danforth	Kohl	Stevens
Dole	Lott	Thurmond
Domenici	Lugar	Wallop
Faircloth	Mack	Warner

NOT VOTING—2

Campbell	Coats
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So the motion to lay on the table the amendment (No. 607) was agreed to.

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

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 604

Mr. KENNEDY. Madam President, I was looking for the Senator from Georgia, Senator COVERDELL, who has the amendment which was to follow. I would be glad, if he wanted a minute or two to explain it, if we could do a minute on each side.

Does the Senator want to do that? Then we would go to a vote.

I ask unanimous consent that the Senator from Georgia be able to proceed for 1 minute, then I be recognized for 1 minute. And then it is the intention of the leadership to vote, we will vote up or down.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? If not, the Senator from Georgia.

Mr. COVERDELL. Madam President, the purpose of amendment 604 would provide that the funding titles of national service would not occur until such time as by rescission or transfer of funds or adoption in the budget of 1994 the emergency funding of 1993 had been resolved, the obligation had been paid for. That would be the \$4 billion in unemployment, the \$1 billion in supplemental funding, and the proposed \$2 to \$3 billion that will be called for—and I think it will be much more—for the Midwestern States as they deal with the floods and national disaster of that area.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Madam President, just very briefly, as I understand the Senator's amendment, it would virtually prohibit expenditures of money for this until there is a payoff of all the money that will be necessary for the flood victims, and that is now about \$2.6 billion. It is expected to go up. I hope that we would not be put in that particular position. I know that is going to be declared an emergency. This proposal is within the President's program and is going to be paid for out of existing funds as a matter of selection. So I would think effectively we are just holding this whole program hostage into the future.

I hope that the amendment would not be accepted.

VOTE ON AMENDMENT NO. 604

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 604. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. COATS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—46

Bennett	D'Amato	Grassley
Bond	Danforth	Gregg
Bradley	DeConcini	Hatch
Brown	Dole	Hatfield
Burns	Domenici	Helms
Chafee	Exon	Hutchison
Cochran	Faircloth	Kassebaum
Cohen	Feinstein	Kempthorne
Coverdell	Gorton	Lott
Craig	Gramm	Lugar

Mack
McCain
McConnell
Murkowski
Nickles
Packwood

Pressler
Roth
Shelby
Simpson
Smith
Specter

Stevens
Thurmond
Wallop
Warner

NAYS—53

Akaka	Glenn	Mikulski
Baucus	Graham	Mitchell
Biden	Harkin	Moseley-Braun
Bingaman	Heflin	Moynihan
Boren	Hollings	Murray
Boxer	Inouye	Nunn
Breaux	Jeffords	Pell
Bryan	Johnston	Pryor
Bumpers	Kennedy	Reid
Byrd	Kerrey	Riegle
Campbell	Kerry	Robb
Conrad	Kohl	Rockefeller
Daschle	Lautenberg	Sarbanes
Dodd	Leahy	Sasser
Dorgan	Levin	Simon
Durenberger	Lieberman	Wellstone
Feingold	Mathews	Wofford
Ford	Metzenbaum	

NOT VOTING—1

Coats

So the amendment (No. 604) was rejected.

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

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Madam President, I express our appreciation to the Members for the cooperation. We are trying to move along, and we expect the Senator from New Mexico to offer an amendment which is what they call a trigger amendment. He will explain it this evening, and we will be entering into a time agreement to dispose of that tomorrow sometime in the mid-morning, mid to late morning.

According to the lists which have been available to Senator KASSEBAUM and ourselves, there still remains probably 25 to 30 amendments of which I think probably 12 or 14 can be accepted, and probably a few others can be worked out. We are very interested in addressing the issues of importance to the Members.

So we will make a full court press, working with the leadership to try to reduce the number of amendments and then to establish some order, so that the Members will know in what order these amendments are going to be appearing. We will announce that order to the Members as we proceed.

So, Madam President, I expect that we will have a discussion of what they call the trigger amendment this evening and then enter into a time agreement for the disposition of that issue sometime later in the morning tomorrow.

Mr. DOMENICI. Madam President, I do not think the leadership wants to stay around very late tonight. I will save you some time tomorrow, I say to the distinguished majority leader. I may lay down a Pell grant triggering amendment and work-study amendment—in fact, I will lay it down tonight. I do not know how much I will

discuss it tonight, because I have 20 minutes in the morning. Senator KENNEDY has not seen it yet. We might have a better discussion tomorrow morning, with 20 minutes on each side.

I would like to use maybe a half-hour tonight and talk about what is going on with reference to this bill and the budget and taxes and the fiscal policy of the Nation. I will use, perhaps, 30 minutes. I do not want to agree to that, but I do not intend to go much beyond that.

Mr. MITCHELL. Madam President, what I would like to do is to permit the Senator to proceed, and then in a few moments when I am ready with the proposed agreement, formalize the substance of it. If I can interrupt to do that, then the Senator can continue.

Mr. DOMENICI. Whenever the leader is ready, indicate it, and I will stop talking and yield.

Ms. MIKULSKI. Will the Senator from New Mexico yield for a question or a comment?

Mr. DOMENICI. Yes.

Ms. MIKULSKI. I acknowledge the desire of the Senator from New Mexico as he indicated, and I would like to bring to the attention of the Senator from New Mexico that I am the appropriator that is directly affected by the triggering amendment. I will be the one that will be precluded from proceeding if the trigger amendment is passed.

Tomorrow morning at 10 o'clock, we have an appropriations markup on Treasury-post office that compels me to participate. I wonder how we can accommodate this Senator, because when you do raise the trigger amendment, it is important for me to participate in that debate.

Mr. DOMENICI. Madam President, I have the same markup tomorrow. Are you in the appropriations full committee tomorrow with your bill, or in subcommittee?

Ms. MIKULSKI. I will be there because of the other pending matters.

Mr. DOMENICI. I will be there also, and I think when the unanimous-consent agreement comes forth, we are going to try to allow enough time to get that markup over with before we move to the Domenici amendment for debate in the morning, which should accommodate the chairman.

Ms. MIKULSKI. The Senator intends to debate, in the most general terms tonight, the consequences of national service on the budget and other issues, and then it is tomorrow after the full committee markup that the Senator will proceed to the trigger amendment?

Mr. DOMENICI. That is correct. That is my intention. I may tonight give an overview of why I am concerned about this bill. I may allude to what happened under Pell grants and many more things which cover some of our poorer young people.

Ms. MIKULSKI. I understand that. I thank the Senator for his courtesy.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Madam President, it is my intention now to propound a unanimous-consent which incorporates the substance of the discussions held previously between Senator KENNEDY and Senator DOMENICI.

Therefore, Madam President, I now ask unanimous consent that the Glenn amendment be set aside; that Senator DOMENICI be recognized to offer a triggering amendment with no limitation on debate during today's session; that no amendments be in order prior to a motion to table made by Senator KENNEDY; and that the Senate resume consideration of S. 919 at 10:30 a.m. on Thursday, July 22, that there then be 40 minutes remaining to debate on the Domenici amendment, with the time equally divided and controlled in the usual form; and that when all time is used or yielded back, Senator KENNEDY then be recognized to move to table the Domenici amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Madam President, reserving the right to object.

The PRESIDING OFFICER. The Senator from New Mexico reserves the right to object.

Mr. DOMENICI. Might I say to the distinguished leader, could I just reserve the right in the event my amendment needs a technical adjustment? With the motion to table being in there, I would not be able to change it. Could I reserve the right to modify the amendment for technical reasons?

Mr. MITCHELL. I will ask the chairman.

Mr. KENNEDY. I would certainly agree to that.

Mr. DOMENICI. That is all right?

Mr. KENNEDY. That is fine. The Senator understands that we are under a situation where he could keep on offering or changing in any event so it does not compromise anyone's position.

So, I would be glad to accommodate the Senator.

Mr. MITCHELL. So long as we understand that any modification will be technical in nature and relate to the amendment itself?

Mr. DOMENICI. That is right. And we might not need it. The staff says this is cleared with the real technical writers, because it is a bit technical. We probably do not need to.

The PRESIDING OFFICER. Does the majority leader make that request?

Mr. MITCHELL. Yes.

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

Mr. MITCHELL. Madam President, I thank the Senators.

There will be no further rollcall votes this evening.

Pursuant to this agreement, there will be a rollcall vote tomorrow at or prior to 11:10 a.m. There are 40 minutes

remaining for debate on this amendment when the Senate resumes tomorrow morning on this bill at 10:30. So the vote can occur at any time between 10:30 and 11:10, more likely close to 11:10.

Madam President, I might say now for the benefit of our colleagues, we made some good progress in disposing of three amendments today. This will be the fourth. But I am advised there is a rather long list of amendments. So the list may be growing as time passes; that is, the rate at which amendments are being considered or added to the list of amendments is exceeding the rate at which amendments are being disposed of.

So, the longer we go on the bill, the longer the list is of amendments to be considered.

I simply say to my colleagues, Thursday is the evening that we usually set aside after several years, I think, since Senator Baker was majority leader with the possibility of late sessions. My hope is that we can finish this bill tomorrow. And if that means a late session tomorrow, Senators should be prepared for that.

I state now I understand the managers will be prepared to go on for such time as is necessary, and it is my hope and intention that we can do so. So, Senators who have amendments, I hope will be prepared to come and offer them tomorrow, and Senators should be prepared for a lengthy session with votes throughout the day and well into the evening. It would not be an early evening tomorrow if it is necessary to stay later to finish this bill.

I thank my colleagues for their cooperation and thank the managers for their diligence.

Madam President, I yield the floor.

The PRESIDING OFFICER (Mr. KERREY). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I rise tonight to raise some questions about this bill and, frankly, I want to do this in all honesty and sincerity to call to the attention of Senators and the American people what is going on.

Somewhere in the U.S. Congress today, tomorrow, the next day, perhaps for the next 2 weeks, many Members of the House and Senate, at least those who are in the Democratic Party in both Houses, will be meeting to pass on a new deficit reduction package, and right in the front and center in that package, the principal ingredient, sine qua non of that package, the part you can absolutely rely on because it will happen, is somewhere between \$250 and \$300 billion worth of new taxes.

It is rather ironic in this Senator's opinion that while all of that is going on in the name of deficit reduction, getting the size of Government under control, on the floor of the Senate—it started off rather casually with speeches about the marvelous effects of public service by people under a National Service Corps idea.

But tonight I rise to talk about how much it is going to cost, how many people it is going to help, and whether we ought to be doing this when we are sending a signal to the American people that we want to cut the deficit. Frankly, I do not like to borrow old coined phrases, but I do not believe there is a better example of tax and spend than what is going on right now.

Over there in other rooms they are taxing to get a deficit under control. In the U.S. Senate tonight and tomorrow, we are considering a bill that at a minimum—and if anyone wants to challenge me on it, we can have a good chance to talk about the numbers—is \$10.8 billion for this program over 5 years. Frankly, someone is going to say there is not \$10.8 billion, that here we talked to the Congressional Budget Office and it is \$3.3 billion.

Let me tell everybody that is meaningless, that \$3.3 billion, because the Congressional Budget Office had a 1-year authorization in mind at about \$389 million, I say to Senator GORTON, and then it said "such funds as are necessary."

So, they assumed the program would be static at \$389 million a year. Do you know how many people that will take care of in this National Service Corps? Twenty-five thousand. So it cannot be that.

Would the President of the United States be for this new national program of service by the people of the country for 25,000 people a year? Of course not. But it is rather interesting that if you take the President at his budget word, his budget vocabulary—he sent us a budget, and the budget says \$10.8 billion over 5 years. Perhaps nobody wants to honor it.

I hear most people on the other side of the aisle saying that is why they are here to support the President's program. It may come as a shock to some. At \$10.8 billion the President proposes and envisions 150,000 participants by 1997. It might also be interesting to note that if you believe OMB—and I have no reason to dispute them—each one of those Americans, college students, or otherwise, will cost \$17,000 a year, to use this program and the vouchers attending it for universities—\$17,000 a year.

Frankly, on my own, I think that is low. I think the OMB will low ball it in this case because, obviously, it is getting pretty expensive. And then to have a program so heavily touted, that it will cost \$10.8 billion and will only take care of 150,000 Americans between the ages of 17 and 29, when we think there are about 38 million Americans engaged in part-time or full-time voluntarism in the United States today—excepting they are volunteers.

We thought volunteer meant that you gave of yourselves as a volunteer. So we look to see how many of those kinds of people live in America, be-

cause it sort of sounds like if we do not have this kind of program, there are not going to be any people out there finding out what is going on in society and developing their heartfelt and sincere desire to be helpful, perhaps even developing their consciousness of what is going on.

And, interestingly enough, we find out already there are 38 million part- and full-time participants, men and women volunteers, in the United States. Many of those are the equivalent of full time for free.

Just in case anybody is interested, there is nothing in this bill that sets any criteria for the selection of this 25,000 in the first year, and perhaps 150,000 by the third year, if we are willing to spend \$10.8 billion in current unexpended money, because we do not spend anything on this program. So it is brand new.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. DOMENICI. I wonder if I might finish another thought or two, and then I will be pleased to.

Mr. President, let me be very clear. There is probably nothing more important for America than that our young people get involved in voluntarism; that they help others and they learn what is going on and they learn about the less fortunate by participating in meaningful activities.

But, Mr. President, when the Republicans said the President's plan was tax and spend, we were criticized. The only thing that could be said in criticism of that is that it is tax and invest, not spend.

But, you see, to make a Federal Government investment, you have to spend. And what do you spend? You spend the taxpayers' money.

So we can argue about how big will this program be, but I do not believe the President intends a little, tiny 25,000 National Service Corps. After all, this is a very big-time operation. The President of the United States is chairman of the corporation. That is interesting. Maybe it will help, having the President there. That might be what we need.

But that is not going to be the size of a Presidential-led National Service Corps. So if it is 150,000, it turns out about \$10.8 billion, as requested by the President in his budget, is what the program will cost.

Now, if you just look out there and say, from what are we going to pick this 150,000? I just want to give you a couple of numbers so you will know it is not going to be easy.

A lot of people will be left out. Maybe—who knows—maybe they will all be wealthy kids that get chosen. Maybe we will choose some poor kids. Maybe we will choose some kids that are currently getting Pell grants. A lot of those are good programs. This is no substitute for it.

But between ages 17 and 29 in this country, there are 50,803,000 people. So of that big pool, we are going to pick somewhere between 25,000 and 150,000. And I get a little concerned about how we are going to pick them.

In fact, I might support an amendment to this bill that says half of them will be picked from the underprivileged of this country in the central cities of America. In fact, I might offer that amendment. I am sure that is not going to hold with some, because that is not what is intended. But I am wondering when are we going to put some help into that part of America.

Now, having said that, let me ask: What program are we going to cut or eliminate to pay for this new program?

Now, I am not being facetious. I do not know a single one. In fact, let me suggest, there are none. There are none in the President's budget that are eliminated of the maybe 2,800 programs.

There was one. There was one in the President's campaign—one. He was going to get rid of the honeybee subsidy. Well, the honeybee subsidy is paid for, as I understand it. It is not eliminated. It is nowhere in the reconciliation.

So no program of the Government is being eliminated to pay for a new one—\$10.8 billion.

Mr. GORTON. Will the Senator yield for an observation?

Mr. DOMENICI. I want to put this in the RECORD first.

In this morning's paper, while not being kind of either Democrat or Republican, Robert Samuelson, in his typical form, in a column here, talks about why do we not get rid of some programs if we want some new ones and if we want to get the deficit under control.

I think it is worth reading. I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. DOMENICI. The answer is clear. There are no programs eliminated.

Now, if there are no programs eliminated—and this is a high-priority program; it could cost as much as \$10.8 billion over 5 years—how can we stand here and tell the American people that with this \$150 to \$200 billion—and why am I vague? The Senator knows why. The \$150 billion in new taxes in the Senate bill—\$250 billion, excuse me—and the \$289 or \$290 billion in the House bill, now it is going to be somewhere in between, or perhaps as high as the entire House measure.

So who can stand here and say to the American people, we are putting all that tax on because we are going to pay the deficit with it?

In fact, I noticed in the hallelujah statement by the White House—I do

not know if the Chair has seen that, but there is a six-page hallelujah; change is in the wind. And it has instructions for those who support the President's program. It is instructions to them on how to sell this program. You have some language about body language in it; a little language in it that if questions get too tough or whatever, demur, or whatever the word is, but say, let us get on to the basic principles.

But listen, the principal question is: If you are going to tax the American people and claim it is going to go for the deficit, then how do you pay for this program?

We have not cut any major program; we have not eliminated anything. And we are claiming we have to do something to build the economy because America is really in bad shape. So we put a National Service Corps in that is hard to understand in terms of a high priority. And we do not like anybody to say that this is the epitome of tax and spend.

Now I am pleased to yield to the Senator, and then I will be pleased to yield to Senator KENNEDY.

Mr. GORTON. Will the Senator make a comment on a second alternative?

The Senator has spoken about the fact that this is almost \$11 billion over 5 years in new spending, without any discernible reductions in spending on other programs as a result.

Another way of looking at this, it seems to the Senator from Washington, would be if we decided not to spend this almost \$11 billion and instead reduced by exactly that amount the additional tax burdens which the conferees are going to impose on small business so that small business in the United States could invest that \$11 billion as it saw fit in creating new jobs and new opportunities for these same young Americans, is it not the view of the Senator from New Mexico that more of those young Americans would have real job experiences and that more wealth would be created for all Americans, and, in fact, there would be a return in additional taxes so that what seems an \$11 billion for \$11 billion exchange would probably reduce the budget deficit by a small amount, the additional taxes paid by the additional profits made by those small businesses? Would we not in this choice, under that set of circumstances, allow the American people to make their own decisions and would those decisions not almost certainly be more productive than those offered by this bill?

Mr. DOMENICI. There is no doubt in my mind in these critical times in terms of economic growth and jobs and a jobless economic recovery, that if you could take \$10.8 billion off that Senate level of \$249 or \$250 billion, you would be probably giving more young people an opportunity to get a job than the 25,000 that we are going to start

with in this. And if you had that going for 3 or 4 years, you probably would put more young people to work than the 150,000 planned in this.

Mr. GORTON. I have one other comment, and it is one the Senator has already made, but I wonder if he would reemphasize it.

This Senator noticed in a different story or column than the one which the Senator from New Mexico has just had printed in the RECORD, a story about the President of the United States going out to sell this new tax program and that he seemed hurt and upset that Members on this side of the aisle had characterized his program as tax and spend. That was in the paper, in the news, at exactly the same time as certain Democrats on a conference committee were meeting behind closed doors in this building to determine just how much in the way of new taxes we would have and while this body was debating in open session here just how much new spending there would be.

Is there any way, in the view of the Senator from New Mexico, that the President can appropriately protest that his policies are not tax and spend? Is that not a precise dictionary definition of a tax-and-spend policy?

Mr. DOMENICI. Clearly I have spoken to that and I appreciate my colleague's giving me an opportunity to repeat it. I do not see how you can get out of that.

Let me tell my colleague another thing that is very interesting. I try to make technical matters as simple as I can. But let me tell this one and perhaps the Senator can help me if I have not made it simple enough.

When I say to the Senate, what are we going to cut to pay for this, what I know already is that the President did not provide enough room in the budget for this program. In fact, I think it is common knowledge now—it was not a Republican bringing it forth, I think Senator HOLLINGS brought it forth first—\$16.7 billion in program authority and \$6 billion in outlays are just sitting around in a box in the President's budget called "new investments." Then, if you look in the budget that he sent us to meet the caps, clearly they are not in there. So what we have done is we have said we do not know where we are going to get the money but we want these new programs.

Mr. GORTON. So the President has asked us to spend this year \$6 billion more in specific programs than his own budget caps allow; is that what the Senator is saying?

Mr. DOMENICI. That is correct.

Mr. GORTON. Does that include the money for this program?

Mr. DOMENICI. In the \$16.7 billion in program authority there is no way for us to figure it. But there is no money in his budget for this program so we assume it must be in the investment

portfolio he had there that did not fit within the caps.

Again, I want to give a little credit in terms of OMB. They were between a rock and a hard place—Leon Panetta was—because the President's vision statement, which was not a budget, but they said go and do a budget in the Congress off the vision statement, had a lot more spending in it than we put in the caps up here. So they were left with presenting a budget after the fact. And in presenting it after the fact, what are they going to do? They could not find \$16.7 billion over the years in cuts, so they just put it over there separate and said, "This is part of our investment package. We will work with you to find it."

Mr. GORTON. But did they not tell us there will be many, many billions of cuts in 1997 and 1998 after President Clinton's term is over?

Mr. DOMENICI. That is true and that is another point about this bill. Frankly, this bill starts to spend heavily in 2 years, 3 years, and most heavily in the 4th and 5th years, and that is rather intriguing, also, because 85 percent of all the cuts in programs in the President's ultimate package, somewhere between 80 and 85 percent come in the 4th and 5th years. It is like saying, "Put the taxes on now and trust us, we will get the cuts later." But you see probably looming in the outyears, "Maybe we cannot cut because we have to keep this program going." That is sort of the bow wave of this program starting at \$398 million.

Having said that, I want to close these remarks with a comment on a couple of things. I am concerned that this might be construed to be an entitlement, and I think the Senate should know we are not trying to just make things tough here and make people vote on things that do not matter. We are literally trying to find out whether the Congressional Budget Office has any rationale that this might be an entitlement program because I do not think anybody here on either side could vote against an amendment that I would offer that says this is not an entitlement program.

Second, this program's expenditures are divided three ways: One-third to the Federal Government, one-third to the sponsor, and one-third to the States. The more I look at that I think it ought to be more heavily loaded in favor of the States, and I will offer an amendment for 55 percent of it to go to the States and 45 to be divided between administrative costs and the national sponsors.

And then, last but not least, it is amazing to this Senator that there are two programs at least that are doing a marvelous job for young people, in particular for young college people who cannot afford to go to college. Those two programs are—one is named after a distinguished Senator, Senator PELL

called Pell grants. The other is the work/study program.

I am very, very concerned that what we are going to do is continue down the slippery path of reducing Pell grants and work/study funding on the basis we just cannot afford it. I am going to offer an amendment called the triggering amendment. I am going to make it as tight as I can that we do not spend money on this new program without fully funding Pell grants and work/study. And I will not even ask for increases. I will just say at last year's level and make up for whatever advanced funding still has to be accounted for in Pell grants.

There is no doubt in this Senator's mind that we have a stronger commitment to the poor of this country who cannot go to college at all without work/study and Pell grants than we do to a national service corps that is not aimed at the poor. It could be that we put poor people in it, those who are in need, those who would like to use this to move upward. But it is not a means-tested program, not a needs-oriented program. So I very much want to make sure that we keep our priorities and keep them right, and that is to fund Pell grants and fund work/study programs. I am fully aware there may be somebody to come down tomorrow and say technically these are two different subcommittees of appropriations. We hear that. How can you do that? We will just do it. We just write in, binding on whatever subcommittee has it, that you cannot fund this program unless those other programs are funded in that same year to the level described in the amendment. And if it becomes law, it will trigger and it will say, "Take care of the needy students who are wanting to go to college and want to have work/study before you take on this program," which will cost, under the most minimal assessment of costs, \$17,000 a year in each of the 2 years for the costs of the work and the cost of the stipend, \$17,000 a year for either 25,000 or, perhaps, 150,000.

Ms. MIKULSKI. Will the Senator yield for a question?

Mr. DOMENICI. I will finish this sentence, which I was half through, and then I will.

So everybody will understand, there is no comparison between the need and the value of the Pell Grant Program and this program. There are 4.4 million American college students and post-high school students getting helped by the Pell grants, formula grants. I do not have the number on work study, but it is a large number.

In addition, already there was movement in the House to cut some more off the Pell grant allowance. I do not know what they are going to use the reduction to pay for, but clearly I do not want to use the reduction to pay for this new program.

Now I will be pleased to yield.

Ms. MIKULSKI. The Senator says, "Well, it doesn't matter about subcommittees." I chair a subcommittee, and it does matter to me. I think it matters as a precedent.

I wonder if the Senator is willing, if this technique is adopted, to then apply it to other areas. I know of the Senator's longstanding commitment to the mentally ill. We have worked well on that. Would the Senator be willing to say no funding for veterans' health care unless the NIH is fully funded?

Mr. DOMENICI. Let me suggest, we are the victims of procedures around here, and so I would never commit that I would not try to change a process with an amendment.

Ms. MIKULSKI. Does the Senator follow the logic of that? Once we do that to say in one subcommittee, no matter how meritorious both goals are, that if something is not fully funded in one committee, you bind the hands of another subcommittee so that we would say, no funding for veterans' health care, which is in my subcommittee, unless the National Institutes of Mental Health is funded?

Mr. DOMENICI. I might agree to that. I do not know. Let me tell you the thrust of this is that there is a thread, a significant thread of thrust between the programs I am talking about. This is an education and service program and the Pell grants and the work study programs and one other for college kids in need are also for education and to permit them to work. So that is the similarity. So long as I can find that, I am not going to be—

Ms. MIKULSKI. The similarity then would have been no funding for veterans' health research unless there is full funding of NIH. That would be a thread.

Mr. DOMENICI. That might work, and if the Senator chose to do that, I ask—

Ms. MIKULSKI. Senator, I would never choose to do this.

Mr. DOMENICI. All right. I am not sure I would either, but let me tell you, there is plenty of information about Pell grant underfunding and about Pell grant needs, but we are not just up here talking about pulling one program out and saying unless it is funded fully you cannot fund this other education program.

This is a brandnew program calling for brandnew commitments of money. The programs I am talking about are old, well heavily favored, active in doing good things in our society, programs that have vintage and do well for people.

I do not feel the least bit concerned about comparing them with reference to funding at this point.

EXHIBIT 1

[From the Washington Post, July 21, 1993]

IT'S STILL NOT ENOUGH

(By Robert J. Samuelson)

There are no heroes in this year's budget brawl. From the start, President Clinton has

been hypocritical. He promised both dramatic deficit reduction and more spending, a k a "investments." He couldn't deliver both and hasn't. The deficit reduction is modest, and his "investments" have been trimmed. As for congressional Republicans, they have been content—with a few exceptions—to chant "tax and spend" at Clinton.

In an ideal world, each side would have muffled its rhetorical screeching. Clinton would have sharply cut spending. Republicans would have accepted some higher taxes to achieve deep deficit reductions. "There are two elements missing in the budget debate," as Carol Cox Wait of the nonpartisan Committee for a Responsible Federal Budget recently told the Wall Street Journal. "One is candor, the other is bipartisanship."

You may be confused about what has happened. Budget politics ooze obscurity. Facing unpopular tax increases or spending cuts, politicians camouflage their actions. The mild energy tax (4.3 cents a gallon in the Senate bill) has attracted so much attention precisely because everyone can understand it. But the camouflage can be stripped away. Although differences remain between the House and the Senate—to be settled by a congressional conference committee—the budget's main outlines are clear:

Projected deficits would drop about \$500 billion over the next five years (1994-98). The figure sounds larger than it is. Before the cuts, the deficits are expected to total \$1.6 trillion between 1994 and 1998. Thus, the package cuts them about a third.

Higher taxes—including user fees, such as patent fees—account for the biggest cuts. The Senate's taxes total \$255 billion over five years, the House's about \$291 billion.

Spending cuts total about \$179 billion in the Senate budget and \$149 billion in the House's. These are concentrated in defense (\$110 billion over five years) and Medicare (\$58 billion in the Senate's bill and \$50 billion in the House's). Medicare cuts mainly involve lower reimbursement rates for doctors and hospitals. There are also some small spending increases.

Because the government borrows less, it has lower interest costs. Further savings are assumed, because the Treasury changes its borrowing methods. All these savings amount to \$60 billion to \$65 billion and bring total five-year savings close to \$500 billion.

Everyone's numbers are slightly different, because there's a lot of debate about calling some items either taxes or spending. But by my reckoning, the ratio of tax increases to spending cuts is nearly 1.5 to 1 in the Senate bill and 2 to 1 in the House's. Democratic claims that the ratio comes close to 1 to 1 in the Senate bill rest on questionable arithmetic. For example, all interest savings are counted as spending cuts. They shouldn't be. The interest savings are merely the result of lower deficits and not a conscious choice either to cut spending or raise taxes.

All in all, the package is modest. It has good points and bad. Among the good: the expansion of the earned income tax credit for the working poor. This will reward work for the lowest-paid families. Among the bad: the gutting of the 1986 tax reform by raising top tax rates for individuals (to nearly 40 percent) and corporations (to 35 percent). Clinton and Congress abandoned the philosophy that tax increases should come from broadening the tax base—eliminating tax breaks—rather than raising tax rates.

Even if the full \$500 billion deficit cut survives the House-Senate conference (and it may not), it would be smaller than the package adopted by President Bush and Congress

in 1990. That plan had \$496 billion in deficit cuts over five years, which, after adjustment for inflation, exceeds the present package—on paper. Unfortunately, lower deficits didn't materialize. The savings were offset by an unexpected surge in health costs and the recession, which lowered tax revenues. That was bad luck. Clinton's plan may stand a better chance of reaching its goal.

Where would that leave us? Oh, with an annual deficit of about \$200 billion in 1998, maybe a bit more or less. Estimates are error-prone; a \$50 billion mistake would be easy. But unless more is done, the deficit would then rise. This ought to worry us, and it's important to understand why.

Contrary to popular wisdom, deficit cuts aren't a formula for instant economic growth. Indeed, no one knows how the present budget plan will immediately affect the economy. Higher taxes and lower spending—especially on defense—might slightly depress growth. On the other hand, lower deficits might slightly reduce interest rates; that would help growth. On balance, all these changes may offset each other. (In a \$6 trillion economy, deficits aren't everything. For instance, the main cause of lower long-term interest rates is lower inflation.)

But sooner or later, large deficits—and the accompanying growth of government—become unsustainable. High tax rates and debt levels gradually discourage risk-taking and harm economic growth. Meanwhile, government can't easily cut spending programs that have strong constituencies. Economic stagnation and political disillusion may then feed on each other. This sort of impasse evolves slowly over decades, as political leaders rationalize constant government growth, permanent deficits and timid efforts to control both.

That's what has happened in Europe, and we are marching down the same path. Pressures for future spending and tax increases are huge. They stem from big budget deficits, soaring health costs and an aging population. Because these pressures are so strong, we ought to cut ruthlessly the least useful government programs. Clinton and Congress didn't. Not one major federal program was ended; even the honey subsidy survived.

Clinton never took the case for curbing spending to the public or embraced it himself. He's still got three more budgets to go, and maybe he'll change his approach. Maybe health care reform will control those costs. Or maybe our political system isn't capable of anything more than this year's messy, halting deficit reduction. If so, it's not enough.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I appreciate the points that have been expressed by my friend from New Mexico. We will have an opportunity to get into these in more detail tomorrow.

Just in terms of making the RECORD tonight, I think it is important to establish some facts.

First of all, the part which is most objectionable to the Domenici amendment is requiring that there would be no funding of this program without paying for the Pell shortfall. The shortfall was estimated at \$2 billion in the early part of the year. Now in the recalculation, it is \$1.2 billion.

I am not going to spend a lot of time pointing fingers at who is to blame

that we did not get that funding in the stimulus program or in the supplemental. But it was not Members on this side of the aisle who filibustered those programs that would have taken care of the Pell Grant Program shortfall. So I am interested in hearing the sense of indignity about this shortfall when those of us who are the strongest supporters of the National Service Program took responsible stances to remedy this earlier. Point No. 1.

Second, I wish to make a point with regard to the Pell grant maximum of \$2,300. That is what is going to be funded this year, with an expansion of the total number of students that will be eligible for the program next year due to program modifications we made last year. And I will put those figures in the RECORD rather than taking up the time this evening. So that is not really at issue.

I agree with the Senator from New Mexico that we ought to continue the funding for the campus-based student aid program at levels of last year, which would have been \$280 million. Most of that funding has been restored and we have the administration's commitment to fund that at the levels of last year. Most of the shortfall has been made up in the House Appropriations Committee. I hope that the Senate appropriations this year will make up the final few million dollars shortfall.

So if it was not for the procedural issues of holding funding for this important program hostage until we put more money into the Pell Grant Program, the work-study programs, the SEOG's and the BEOG's, the State student incentive grant programs, the other campus-based programs, and the Perkins loans, put me on there as a cosponsor. I have told Eli Segal that. I have told Leon Panetta that. I think I express the feeling of most of the members on the committee: Put us on there, put us on there as cosponsors.

But the fact is, what this amendment is doing is including the \$1.2 billion Pell shortfall.

Mr. President, I agree with the point that was being made by my friend from Maryland. Beauty is in the eye of the beholder. Some call funding for national service spending, but say that funding of the superconducting super collider is not spending, it is investing in our future. And the space station is not spending, that is an investment. But somehow doing something to encourage the 43 million young people in our high schools around the country to give something back to their community is spending.

I do not know how the Senator would classify the \$131 million that he added this afternoon in the Appropriations Committee, for the INS Appropriations Subcommittee. It was not requested by the administration, and it will be spent primarily in the Senator's own State. I

wonder, is that spending or is that an investment? The \$131 million that was added in his Appropriations Committee, about half of all the additional money that will be necessary to fund this program, is primarily for use in New Mexico and Texas, and was not requested by the administration.

All of us have been around here long enough to know there are additions. I am certainly guilty of it. I like to try to do it in the areas of education, or health care, or maybe preserving some of the great historical areas in my State. I have been part of that, but I do not generally then proceed and criticize another program's funding with the indignity that has been expressed this evening. As I understand, \$131 million of new spending which you put into the bill today in the INS Appropriations Subcommittee was not requested and will be spent primarily in New Mexico and Texas.

Mr. DOMENICI. That is not true, Senator.

Mr. KENNEDY. How much was added above the request?

Mr. DOMENICI. First, Senator, you have never—

Mr. KENNEDY. I will be glad—I do not want to represent my figures from the Appropriations Committee. If I am mistaken, I want to correct it. If the Senator knows those figures, he could answer now and will correct the RECORD. How much was added this afternoon to the INS by your subcommittee above what was requested by the administration?

Mr. DOMENICI. I will be pleased to answer. Let me say, this is for the United States, not New Mexico. In fact, I do not know that we get any of it. This is for New York City where we do not have a jail to keep people like that sheik who came over here without papers, and we turn them loose. It says build a jail for them for \$10 million.

Mr. KENNEDY. Is this an amendment for the INS? I did not know the INS was involved in prison construction.

Mr. DOMENICI. This is the border patrol and the INS with reference to illegal aliens.

Mr. KENNEDY. How much was added over the request?

Mr. DOMENICI. Over the President's?

Mr. KENNEDY. Yes.

Mr. DOMENICI. Perhaps 131.

Mr. KENNEDY. That is the only point I am making. Now, the Senator believes that that is important, and that is an expenditure. That is an investment. But those who are going to be involved in community service is a waste of expenditures, those people who need transportation to go visit nursing homes, to do pantomimes so they can spend some time with the elderly people. And those people who are going to involve themselves under supervision working in day care centers and also working to try to teach people

who are not able to read and write, that is a tax and spend program. Nonetheless we can expand INS funding.

Well, I say to the Senator, beauty is in the eye of the beholder. Maybe the INS funding was justified, the \$131 million that was added this afternoon and not requested by the administration. But before you assert that this program is wasteful spending, let me point out that it is not a new program. It is as old as America—voluntarism. It is as old as America. We are taking programs that have been tried and tested and making those available to communities all over the country that have never had them.

The Senator talks about spending 50 percent on distressed communities in our National Service Program. He says he should offer an amendment. That provision is already there in the bill.

That is why I say, Mr. President, it is useful to have an opportunity to debate these issues, and I hope we will debate them. Otherwise, I am not sure we bring a great deal of light to the subject. We bring some heat, but not a great deal of light.

Mr. President, I will oppose this amendment tomorrow. I think the Senator is quite correct in his posture and position that we ought to fund the Pell grants and the other work study programs. We have expanded the eligibility and the reach of those programs so it is not exactly comparable. But I certainly agree with the importance of these programs.

As I have mentioned at other times, even though we are going to experience very substantial savings moving toward a direct loan program, we are not giving those kinds of benefits to many of the students. I wish we could give a good deal more. But we have made the judgment to pass a very limited amount of that on to the students, and by and large, use the other savings for deficit reduction.

I certainly empathize with those in this body who want to do more for the students. It has been an absolute travesty over the last 12 years how the previous administrations failed the young in this country by effectively reversing the programs that provided grants to the students. They pushed loan programs which have encumbered young students in America to the tune of billions of dollars.

That is what has happened, Mr. President, in the relationship between the Pell Grant Program and the Stafford loan programs, over the resistance and the opposition of those of us who are for the national service program. Now, tonight, at 8 o'clock we hear how some are absolutely indignant about what is happening to these programs. Where were they when the appropriations were coming out over the last 12 years? Where were they in adding amendments and funding for the Pell grant programs? Where were they?

Where were they for the loan programs? Where were they?

It does not sit terribly well, Mr. President, in this body and certainly not in history, when we find out who has been standing for these programs, who has been fighting for these programs, who has been struggling for these programs in order to make sure that the young people of this country, primarily the sons and daughters of working men and women, were going to be able to get an education without becoming indentured servants effectively and distorting the whole career paths and future.

Mr. President, I will welcome as much time as possible to debate what has happened in education policy over the period of these last 12 years. What I will not do is take terribly seriously—I will take my friend and colleague, Senator DOMENICI, seriously, but I will not take terribly seriously the arguments of those who have not been a part of the effort to try to ensure the continued commitment of this country to the neediest young people in this country for loans and grants.

Education was a key issue in the 1960 campaign, whether we were going to take the dollar signs off of the universities and colleges of this country. It was a key issue. And the decision by this Congress, and by the administration in the early 1960's said to every young person, if you get into the school of your choice, then we will require you to pay up to your ability to pay. But above this level, we will offer you a combination of grants, loans, work study, and summer work so that you can go to the educational institution of your choice. That was the fundamental basic issue in that campaign. We made a commitment to do that, and we have stuck with this for a long period of time.

That is disappearing in America. More and more, students in this country are making choices on the basis of what they are able to pay, rather than where their abilities will take them. Maybe people are not bothered by that.

Finally, Mr. President, I remember that President Reagan proposed cutting Pell Grant Program funding by 40 percent and zero funding the campus-based programs. I do not know where all the voices were at that time. Maybe the people who have been speaking here about this program is really not serving the educational interests of our young people were standing in opposition to the Appropriations Committee back then. We will have an opportunity to examine that over the evening and find that out so we can ask those same people during the debate tomorrow.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, might I make a couple of points.

First, I say to my good friend, Senator KENNEDY, I have never made a dis-

inction between investments and spending. I have called everything that the Government spends money on, spending. I do not choose to pick and choose between them because I do not think we know how to do that. So I call this program spending and I call the super collider spending. I call them all spending. I do not choose to be different.

Second, on the last point the Senator made, what President Reagan proposed about college assistance never became the law of the land. We did not go with that. We paid for those programs. So I hope he was not addressing that at me, and I do not think he was. But the fact that the President asks for it, and does not get it, does not mean that is what happened to the young people of the country because I think we funded them at a pretty high rate—perhaps not as much as Senator KENNEDY wanted, but the programs he alluded to got substantial increases over those years.

Having said that, I apologize profusely if I am leaving the impression that I am indignant about spending money on this program. I am not. If we had all the money around, I would be for it. I am just suggesting that without taking anything else out of appropriations, out of other things, it is going to be very difficult to justify a \$10.8 billion new program, as much good as it can do. It is going to be tough.

Now, if you want to get onto the appropriations bill, it meets the targets, and other programs are cut and cut substantially. So we can argue about that tomorrow if the Senator would like. I hope he does not think that is a New Mexico program. I do not think he is saying that. It applies all over America, as much in New York as it does in Texas, and probably more so in California than anywhere else. It is only an effort to attempt to help the immigration and border patrol people with illegal immigration.

Having said that, I want to send the amendment which we will debate in detail tomorrow.

AMENDMENT NO. 608

(Purpose: To ensure that the financial soundness of the Pell Grant Program is a higher priority than funding a new program)

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

The PRESIDING OFFICER. The Clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 608.

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

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

The amendment is as follows:

On page 85, line 15, strike the end quotation marks and the second period.

On page 85, between lines 15 and 16 insert the following new section:

"SEC. 149. PREREQUISITE FOR FUNDING FOR NATIONAL SERVICE EDUCATIONAL AWARDS.

"Notwithstanding any other provision of law, no funds may be appropriated for any fiscal year to provide national service educational awards under subtitle D unless—

"(1) the amount appropriated for such fiscal year for each of the following programs is at least equal to the amount appropriated for such program for fiscal year 1993—

"(A) the college work-study program under part C of title IV of the Higher Education Act of 1965;

"(B) the supplemental educational opportunity grant program under subpart 3 of part A of title IV of such Act;

"(C) the State student incentive grant program under subpart 4 of part A of title IV of such Act; and

"(D) the Perkins loan program under part E of title IV of such Act; and

"(2) the amount appropriated for such fiscal year for the Pell grant program under subpart 1 of part A of title IV of such Act is sufficient to provide a maximum grant in an amount equal to or in excess of \$2,300 and is sufficient to pay for any Pell grant funding shortfall in existence on the date of enactment of this section."

On page 85, between lines 20 and 21, in the item relating to section 148, strike the end quotation marks and the second period.

On page 85, between lines 20 and 21, after the item relating to section 148, insert the following new item:

"Sec. 149. Prerequisite for funding for national service educational awards."

Mr. DOMENICI. Mr. President, I am prepared to yield tonight as far as any further comment on my part. I will try to be here at 10:30 as required.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 605

Mr. WOFFORD. Mr. President, I call for the regular order and ask for Senator GLENN's amendment No. 605 to require that the National Service Corporation prepare a business plan to ensure that these plans' funds are spent effectively.

The PRESIDING OFFICER. The regular order is the Glenn amendment No. 605.

AMENDMENT NO. 605 AS MODIFIED

(Purpose: To amend the Inspector General Act of 1978 relating to the Corporation for National and Community Service, and for other purposes)

Mr. WOFFORD. In behalf of Mr. GLENN, I send to the desk a modification of amendment No. 605, containing technical improvements.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No 605), as modified, is as follows:

On page 2, insert after the item relating to section 203 the following new item:

Sec. 204. Business plan.

On page 203, strike out lines 24 and 25 and insert in lieu the following:

"(6) receive any report as provided under section 8E (b), (c), or (d) of the Inspector General Act of 1978;

On page 214, beginning with line 5, strike out all through line 16.

On page 234, beginning with line 21, strike out all through line 5 on page 235, and insert in lieu thereof the following:

(h) INSPECTOR GENERAL.—

(1) SPECIAL PROVISIONS IN INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating sections 8E and 8F as sections 8F and 8G, respectively, and inserting after section 8D the following new section:

"SPECIAL PROVISIONS CONCERNING THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

"SEC. 8E. (a) Notwithstanding the provisions of section 6(a) (7) and (8), it is within the exclusive jurisdiction of the Inspector General of the Corporation for National and Community Service to—

"(1) appoint and determine the compensation of such officers and employees in accordance with section 195(a)(4) of the National and Community Service Trust Act of 1993; and

"(2) procure the temporary and intermittent services of and compensate such experts and consultants, in accordance with section 3109(b) of title 5, United States Code,

as may be necessary to carry out the functions, powers, and duties of the Inspector General.

"(b) No later than the date on which the President of the Corporation for National and Community Service transmits any report to the Congress under section 5 (a) or (b), the President shall transmit such report to the Board of Directors of such Corporation.

"(c) No later than the date on which the President of the Corporation for National and Community Service transmits a report described under section 5(b) to the Board of Directors as provided under subsection (b) of this section, the President shall also transmit any audit report which is described in the statement required under section 5(b)(4) to the Board of Directors. All such audit reports shall be placed on the agenda for review at the next scheduled meeting of the Board of Directors following such transmittal. The President of the Corporation shall be present at such meeting to provide any information relating to such audit reports.

"(d) No later than the date on which the Inspector General of the Corporation for National and Community Service reports a problem, abuse, or deficiency under section 5(d) to the President of the Corporation, the President shall report such problem, abuse, or deficiency to the Board of Directors."

(2) TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.—

(A) IN GENERAL.—Section 8F(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) (as redesignated by paragraph (1) of this subsection) is amended by striking out "ACTION."

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(3) TRANSFER.—

(A) IN GENERAL.—Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(i) in subparagraph (T), by striking out "and" at the end thereof; and

(ii) by adding at the end thereof the following new subparagraph:

"(V) of the Corporation for National and Community Service, the Office of Inspector General of ACTION; and"

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(4) HEAD OF ESTABLISHMENT AND ESTABLISHMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by inserting "; the President of the Corporation for National and Community Service;" after "Thrift Depositor Protection Oversight Board"; and

(B) in paragraph (2) by inserting ", the Corporation for National and Community Service," after "United States Information Agency"

(5) TECHNICAL AND CONFORMING AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in section 4(b)(2)—

(i) by striking out "section 8E(a)(2), and any" and inserting in lieu thereof "section 8F(a)(2), and any";

(ii) by striking out "section 8E(a)(1)" and inserting in lieu thereof "section 8F(a)(1)"; and

(iii) by striking out "section 8E(a)(2)." and inserting in lieu thereof "section 8F(a)(2)."; and

(B) section 8G (as redesignated by paragraph (1) of this subsection)—

(i) by striking out "or 8D" and inserting in lieu thereof "8D, or 8E"; and

(ii) by striking out "section 8E(a)" and inserting in lieu thereof "section 8F(a)";

(6) POSTAL SERVICE TECHNICAL AND CONFORMING AMENDMENTS.—Section 410(b) of title 39, United States Code, is amended—

(A) in paragraph (8) by striking out "and" after the semicolon;

(B) in the first paragraph (9) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(C) by striking out the second paragraph (9) and inserting in lieu thereof the following:

"(10) the provisions of section 8F of the Inspector General Act of 1978."

On page 235, line 13, insert "or subsection (h) (2) and (3)" before the comma.

On page 249, insert between lines 11 and 12 the following:

SEC. 204. BUSINESS PLAN.

(a) BUSINESS PLAN REQUIRED.—

(1) IN GENERAL.—The Corporation for National and Community Service (referred to in this section as the "Corporation") shall prepare and submit to Congress a business plan. The Corporation may not provide assistance under section 121 of the National and Community Service Act of 1990 before the twentieth day of continuous session of Congress after the date on which the Corporation submits the business plan to Congress.

(2) COMPUTATION.—For purposes of the computation of the 20-day period referred to in paragraph (1), continuity of a session of the Congress shall be considered to be broken only by—

(A) an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a date certain.

(b) REQUIRED ELEMENTS OF BUSINESS PLAN.—

(1) **ALLOCATION OF FUNDS.**—The business plan shall contain—

(A) a description of the manner in which the Corporation will allocate funds for programs carried out by the Corporation after October 1, 1993;

(B) information on the principal offices and officers of the Corporation that will allocate such funds; and

(C) information that indicates how accountability for such funds can be determined, in terms of the office or officer responsible for such funds.

(2) **INVESTIGATIVE AND AUDIT FUNCTIONS.**—The business plan shall include a description of the plans of the Corporation—

(A) to ensure continuity, during the transition period, and after the transition period, in the investigative and audit functions carried out by the Inspector General of ACTION prior to such period, consistent with the Inspector General Act of 1978 (5 U.S.C. App.); and

(B) to carry out investigative and audit functions and implement financial management controls regarding programs carried out by the Corporation after October 1, 1993, consistent with the Inspector General Act of 1978, including a specific description of—

(i) the manner in which the Office of Inspector General shall be established in the Corporation, in accordance with section 194(b) of the National Community Service Act of 1990, as added by section 202 of this Act; and

(ii) the manner in which grants made by the Corporation shall be audited by such Office and the financial management controls that shall apply with regard to such grants and programs.

(3) **ACCOUNTABILITY MEASURES.**—The business plan shall include a detailed description of the accountability measures to be established by the Corporation to ensure effective control of all funds for programs carried out by the Corporation after October 1, 1993.

(4) **INFORMATION RESOURCES.**—The business plan shall include a description of an information resource management program that will support the program and financial management needs of the Corporation.

(5) **CORPORATION STAFFING AND INTEGRATION OF ACTION.**—

(A) **TRANSFERS.**—The business plan shall include a report on the progress and plans of the President for transferring the functions, programs, and related personnel of ACTION to the Corporation, and shall include a timetable for the transfer. Not later than 9 months after the date of enactment of this section, the President shall identify all functions of ACTION to be transferred to the Corporation.

(B) **DETAILS AND ASSIGNMENTS.**—The report shall specify the number of ACTION employees detailed or assigned to the Corporation, and describe the hiring activity of the Corporation, during the transition period.

(C) **STRUCTURE.**—The business plan shall include a description of the organizational structure of the Corporation during the transition period.

(D) **STAFFING.**—The business plan shall include a description of—

(i) measures to ensure adequate staffing during the transition period with respect to programs carried out by the Corporation after October 1, 1993; and

(ii) the responsibilities and authorities of the Managing Directors and other key personnel of the Corporation.

(E) **SENIOR EXECUTIVE SERVICE.**—The business plan shall include—

(i) an explanation of the number of the employees of the Corporation who will be paid at or above the rate of pay for level 1 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code; and

(ii) information justifying such pay for such employees.

(6) **DUPLICATION OF FUNCTIONS.**—The business plan shall include a description of the measures that the Corporation is taking or will take to minimize duplication of functions in the Corporation caused by the transfer of the functions of the Commission on National and Community Service, and the transfer of the functions of ACTION, to the Corporation. This description shall address functions at both the national and State levels.

(c) **DEFINITION.**—The term "transition period" means the period beginning on October 1, 1993 and ending on the day before the effective date of section 203(c)(2).

On page 250, strike out lines 17 through 25 and insert in lieu thereof the following:

"(2) SUBTITLES C, D, AND H.—

"(A) **IN GENERAL.**—There are authorized to be appropriated to provide financial assistance under subtitles C and H of title I, to provide national service educational awards under subtitle D of title I, and to carry out such audits and evaluations as the President or the Inspector General of the Corporation may determine to be necessary, \$389,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

On page 317, beginning with line 22, strike out all through line 11 on page 318.

On page 318, line 12, strike out "(d)" and insert in lieu thereof "(c)".

On page 318, line 22, strike out "(e)" and insert in lieu thereof "(d)".

On page 319, line 3, strike out "(f)" and insert in lieu thereof "(e)".

On page 319, line 7, strike out "(g)" and insert in lieu thereof "(f)".

On page 319, line 11, strike out "(h)" and insert in lieu thereof "(g)".

On page 320, line 1, strike out "(i)" and insert in lieu thereof "(h)".

On page 320, line 7, strike out "(j)" and insert in lieu thereof "(i)".

On page 321, line 1, strike out "(k)" and insert in lieu thereof "(j)".

On page 321, line 5, strike out "(l)" and insert in lieu thereof "(k)".

On page 321, line 11, strike out "(m)" and insert in lieu thereof "(l)".

On page 321, line 15, strike out "(n)" and insert in lieu thereof "(m)".

On page 321, line 23, strike out "(o)" and insert in lieu thereof "(n)".

On page 322, line 6, strike out "(p)" and insert in lieu thereof "(o)".

Mr. WOFFORD. Mr. President, I ask unanimous consent that the amendment, as modified, be agreed to. It has been cleared on the Republican side.

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

The amendment (No. 605), as modified, was agreed to.

Mr. WOFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. METZENBAUM. Mr. President, I strongly support the National and Community Service Trust Act of 1993.

National service is a concept whose time has come, and I commend President Clinton for embracing it and placing it high on his list of domestic priorities.

People want to serve their country, Mr. President. They want to have the opportunity to engage in community service, to help others who have fewer resources than themselves, to rebuild their communities, to share a purpose.

It is in keeping with the finest traditions of this country—to encourage people, young and old—to share in the momentum of nationbuilding.

It is a good idea, and I am pleased that we are considering it on the Senate floor today.

More specifically, Mr. President, I wish to address myself to a provision included within the bill which I authored. It is a provision that seeks to resolve some of the problems communities face in deciding how best to utilize abandoned military bases and other facilities rendered unnecessary as the cold war fades into memory. It also seeks to address the very serious problem of finding on-the-job training and work for millions of unemployed and underemployed young people in this country today.

As a member of the Senate Task Force on Defense Conversion and as chairman of the Senate Labor Subcommittee, these are problems about which I feel very strongly—they need solutions.

My provision gives communities that are interested in undertaking projects to convert old military facilities to civilian use incentives to hire disadvantaged young people to perform work on conversion projects.

It would work something like this. County A decides that it would like to develop an industrial park with room for several businesses on the premises of an abandoned military facility. County A would agree to hire a specific number of economically disadvantaged individuals, provide them on-the-job training, and give them jobs on the project for a minimum of 6 months. In so doing, County A would be eligible for grants available from the Corporation for National Service to pay approximately 85 percent of the salaries of the workers in question.

The total salaries of the participants would be tied to and capped at the rate currently paid to VISTA volunteers—approximately \$10,000 on an annualized basis.

The program would give communities financial incentive to undertake defense conversion projects—and it would help put people to work.

Other types of projects could include schools, Headstart facilities, clinics, parks—you name it.

Mr. President, base closing does not have to be a terrible experience for a community. In fact, with a little help, it can turn out to be a very positive experience.

It worked out well for the city of Roswell, NM. On July 13, the Washington Post published a story highlighting Roswell as a defense conversion success story. The article described how the town was successful in converting its military base into an industrial park, a practice landing field for commercial airlines, a university campus, a Job Corps center, and about two dozen small factories.

Obviously not every community will be that successful—many won't. But that is the kind of work—the kind of attitude about base closing—that I hope will be encouraged and fostered under the program which I just described.

I believe it can work. I believe it will work.

On another subject, Mr. President, at this point, I wish to say a few words on behalf of the workers who already toil in the cause of national service—our ACTION Agency Employees who administer the VISTA Program, and the older American volunteer programs—including RSVP, Senior Companions, and the Foster Grandparent Programs. These dedicated workers will become national service workers under the legislation we are considering today.

In that respect, I am concerned that this Senate bill, as opposed to the House national service legislation, does not ensure that ACTION employees will still have jobs once they are transferred to the National Service Corporation.

ACTION employees have dedicated their careers to national service. Their seniority should be awarded some measure of priority in hiring.

In addition to protection for ACTION agency employees, new employees of the Corporation deserve to receive full civil service protection.

I believe these are important issues that must be resolved in the favor of new employees of the Corporation during the conference.

Finally, I want to reiterate my support for the bill. I believe the President was right on the mark when he embraced the concept of national service, and I urge my colleagues to support the bill as well.

EXECUTIVE SESSION

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination: John H. Dalton, to be Secretary of the Navy.

I further ask unanimous consent that the nominee be confirmed; that any statements appear in the RECORD as if I read; that the motion to reconsider be laid upon the table; and that the Presi-

dent be immediately notified of the Senate's action; and that the Senate return to legislative session.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the nomination?

There being no objection, the Senate proceeded to consider the nomination of John H. Dalton to be Secretary of the Navy.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia [Mr. WARNER] is recognized.

STATEMENT ON THE NOMINATION OF JOHN H. DALTON

Mr. WARNER. Mr. President, I have been given the privilege by the chairman and ranking member of the Senate Armed Services Committee to be present here this evening for the purpose of recommending to the Senate the nomination of John Dalton to be Secretary of the Navy.

I have had the opportunity to get to know Mr. Dalton over the past month or so, in which the President very wisely selected him for the position of Secretary of the Navy.

I have not only examined him, but examined all of the reports pertaining thereto. He was strongly supported by the Armed Services Committee. Their recommendation is before this body at this time. Therefore, I urge that the nomination be approved.

He is uniquely qualified, Mr. President. He joined the U.S. Navy, went to the Naval Academy, served for I think some 6 years thereafter in the fleet, and became a submariner. And then, after his period of obligated service—plus a few—was up, he returned to the private sector where he distinguished himself again in a variety of positions associated with the financial world.

I think it is fortunate that a man of this background comes to the Navy at this time. The distinguished Presiding Officer, having once himself been in the Navy, recognizes that the Navy has gone through a unique period. And it needs the strongest of leadership, I think, to restore some credibility that in some ways has been lost.

Therefore, I congratulate the President and the Secretary of Defense for selecting this outstanding man who is eminently qualified to assume this position. Therefore, I recommend his nomination.

I would like to take this opportunity to express my unqualified support for this outstanding nominee, John H. Dalton, to be the Secretary of the Navy.

Mr. Dalton has strong roots in the Navy, serving as deputy brigade commander of his class at the Naval Academy and graduating with distinction.

As a naval officer, John Dalton trained and qualified as a nuclear submarine officer and served on submarines in a number of responsible positions.

Along with almost 8 years of active naval experience, John Dalton has ex-

tensive business and managerial experience, so critical to today's modern Navy. He has held a number of highly responsible positions in the private sector in banking, real estate and management. His financial and managerial skills will be invaluable tools. His leadership and dedication to the naval service will be of even greater value.

Senators are aware of the love and devotion I hold for the U.S. Navy. Having served in the Navy during World War II and the Marine Corps in the Korean War, I was also extremely honored to serve as the Under Secretary of the Navy and the Secretary of the Navy during the difficult days of the war in Vietnam.

As a member of the Armed Services Committee, I consider it a special responsibility to continue to stand watch for my beloved Navy and I take special interest in the nominees appearing before this committee to whom we will entrust stewardship of the naval service of this great nation.

I have conferred with Mr. Dalton and I am singularly impressed by his outstanding credentials, experience, and dedication.

Mr. President, I am confident that this nominee will be a great Secretary of the Navy.

I wholeheartedly support his nomination and look forward to working with him.

Mr. President, I ask unanimous consent that certain documents relative to this nomination be placed in the RECORD.

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

STATEMENT OF JOHN H. DALTON, NOMINEE FOR SECRETARY OF THE NAVY BEFORE THE COMMITTEE ON ARMED SERVICES, U.S. SENATE, JULY 13, 1993

Mr. Chairman, distinguished members of this committee, I am honored to appear before you today as the President's nominee to be the Secretary of the Navy. I am especially grateful for the trust and confidence of President Clinton and Secretary Aspin and their support for me to serve in this important office of national defense.

Just over 33 years ago, I took my first oath of office in the service of the United States. It was my induction as a midshipman at the United States Naval Academy—a day I will always treasure. Today, I again ask to serve the United States Navy and Marine Corps. Should I be confirmed, I pledge to support and defend those principles for which our nation proudly stands; to serve the President, the Secretary of Defense—work closely with this committee and the Congress to insure our Naval forces maintain the capabilities that are essential for carrying out our national security strategy; and to pursue the goal that each and every man and woman within the Department of the Navy, military and civilian, uphold the highest standards of leadership, professionalism and personal conduct.

My love for the Naval service runs deep. I spent almost twelve years in uniform, proudly wearing the Navy blue and gold as a midshipman, as an active duty naval officer and as a reserve officer. Those past years of service left an indelible impression on me that

remains the cornerstone of my feelings toward the people who wear the uniform today—an admiration for our sailors, Marines and civil servants who sacrifice every day for their country, an admiration for their dedication to team work and professionalism, their pride in being the best in their skills, their purpose in mission and commitment to honesty and integrity. Our Sailors and Marines are the finest in the world—prepared to go anywhere, anytime, survive the most hazardous of conditions, and successfully defend the nation's interest. I am inspired by these heroes and heroines of today's naval service, and I seek to lead this force into the challenging future.

Although there is much for me to learn, I feel confident that my experience in the Navy, Federal government and the private sector supports my qualifications to be an effective Navy Secretary, should I be confirmed. During President Carter's administration, I served as President of the government National Mortgage Association and, later, as Chairman of the Federal Home Loan Bank Board. Those posts provided me with an understanding of service in the Executive Branch of government. I have spent the other part of my professional life in banking, investment banking and merchant banking.

The challenges of running the Navy Department are enormous. If confirmed, my experience in business and the public sector will be extremely helpful as I carry out my duties and responsibilities. The years ahead will require sound capital investments, maximum efficiency in operations, reshaping infrastructure to fit force levels, and the maintenance and improvement of our most important asset—our people and their quality of life. But more than simply sound business sense, this task will require strong leadership—the leadership I am dedicated to providing.

The largest part of what being Secretary of the Navy is all about is the challenge of leading the magnificent men and women that make the Navy and Marine Corps the finest fighting force in the history of our nation. Our obligation to them is to ensure we maintain our technological edge in equipment they require and provide the very best training to insure readiness and prepare them to carry out missions assigned. Inherent in this commitment to quality is a renewal of ethics and values.

Mr. Chairman, the values of honor, courage and commitment are the values that our men and women of the Navy and Marine Corps live by in Somalia, in the waters and skies off Bosnia, in the Persian Gulf, on all the seas, and in the far reaches of the globe, and in homeport. These are the values which I will constantly strive to reinforce. Such values transcend probable threats, changes in force structure, or courses of strategy.

The breathtaking changes in our world that have occurred in the past five years—culminating with the disestablishment of the Soviet Union and end to the Cold War—demand a course different from the recent past. The partnership of the Navy and the Marine Corps has been reinvigorated on that new course. It is called . . . From the Sea: A plan that focuses on the threat environment we are likely to face in the future. . . . "From the Sea" highlights the unique capabilities that our Naval forces bring to joint warfare and emphasizes the critical mission of Forward Presence.

The Department of the Navy's approach to down-sizing, or "rightsizing" as I prefer to call it, will recognize the importance of our people. Shedding unnecessary infrastructure,

improving our acquisition process, and streamlining our headquarters overhead are all also very important goals, and I will pursue them vigorously. However, we cannot afford to squander the talented people we have today. Instead, we must encourage them, inspire them, and empower them to achieve the excellence to which they are dedicated.

Finally, Mr. Chairman, should I be confirmed, I will perform to the best of my abilities for this nation. I will make myself available to this committee whenever you desire and give you my straightforward and honest views. Today, the Department of the Navy is up to the mission that Congress and the American people have entrusted to it. It would be a privilege and an honor for me to take the helm.

Thank you very much.

JOHN H. DALTON

John H. Dalton is the former Chairman of the Federal Home Loan Bank Board. Prior to his service on the Bank Board, Mr. Dalton was President of the Government National Mortgage Association in the U.S. Department of Housing and Urban Development.

In 1992 Mr. Dalton served as Finance Chairman of the Bexar County Clinton/Gore Campaign in San Antonio, Texas. In May of 1991 Governor Ann Richards appointed him to serve as a trustee of the Texas Growth Fund. Dalton was the Texas deputy campaign director and business and professional coordinator for the Carter/Mondale Presidential Campaign in 1976. In 1979 he served as National Treasurer of the 1980 Carter/Mondale Presidential Campaign and was a member of the national Executive Committee of the Dick Gephardt for President Campaign in 1988. While in Washington, D.C., Mr. Dalton was President of the Texas State Society and served on the Board of Directors of Texas Breakfast Club.

Mr. Dalton has long been an active member of the business community, initially with the investment banking firm of Goldman, Sachs & Company in Dallas, Texas. He also served as managing director of Best Associates and Mason Best Company, merchant banking firms headquartered in Houston and Dallas, respectively. He served as the Chief Executive Officer of Freedom Capital Corporation from 1984-1988 and as President of the Real Estate Division of the Gill Companies of San Antonio. Currently, he represents Stephens Inc., a full-service investment banking firm located in Little Rock, Arkansas.

Mr. Dalton earned a Masters of Business Administration in finance from the Wharton School of Finance and Commerce of the University of Pennsylvania. In 1964 he graduated with distinction from the U.S. Naval Academy in Annapolis, having served as Deputy Brigade Commander, the Academy's number two ranking position. He was a finalist in the Rhodes Scholarship competition. Before entering the U.S. Naval Academy, John Dalton attended Louisiana State University for one year. He graduated from C.E. Byrd High School in Shreveport, Louisiana in 1959, and was recently inducted into the C.E. Byrd High School Hall of Fame.

During his service in the U.S. Navy he graduated from two Naval nuclear power schools, was assigned duty on two submarines and held various managerial posts in engineering, operations and supply. He received several commendations and awards for superior performance of duty.

John Dalton was born in New Orleans, Louisiana on December 13, 1941. He resides with his wife Margaret and their two sons in San Antonio, Texas.

JOHN H. DALTON

PROFESSIONAL EXPERIENCE

June 1991-present: Stephens Inc., San Antonio, Texas. Stephens is a full-service investment banking firm based in Little Rock, Arkansas.

May 1990-May 1991: Best Associates, Houston, Texas. Managing Director, Merchant banking.

Feb. 1989-March 1990: Mason Best Company, Dallas, Texas. Managing Director, Merchant banking.

Feb. 1984-Feb. 1989: Freedom Capital Corporation, San Antonio, Texas. Chief Executive Officer.

Aug. 1981-Feb. 1984: The Gill Companies, San Antonio, Texas. President, Real Estate Division.

Dec. 1979-July 1981: Federal Home Loan Bank Board, Washington, D.C. Member of the Board and Chairman.

March 1977-March 1979: Government National Mortgage Association, U.S. Department of Housing and Urban Development, Washington, D.C. President.

July 1971-March 1977: Goldman, Sachs & Company, Dallas, Texas. Investment banking.

EDUCATION

Wharton School of Finance and Commerce, MBA 1971, University of Pennsylvania, Philadelphia, Pennsylvania

United States Naval Academy, B.S. 1964, Annapolis, Maryland

Louisiana State University, 1960, Baton Rouge, Louisiana

C.E. Byrd High School, 1959, Shreveport, Louisiana

The PRESIDING OFFICER. Without objection, the request of the Senator from Pennsylvania is agreed to. The nomination is confirmed.

The nomination, considered and confirmed, is as follows:

DEPARTMENT OF DEFENSE

John H. Dalton, of Texas, to be Secretary of the Navy.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MORNING BUSINESS

Mr. WOFFORD. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein.

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

FEDERAL EMPLOYEES POLITICAL ACTIVITIES ACT

The text of the bill (H.R. 20) to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper solicitations, and for other purposes, as passed by the Senate on July 20, 1993, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 20) entitled "An Act to

amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes," do pass with the following amendment:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Hatch Act Reform Amendments of 1993".

SEC. 2. POLITICAL ACTIVITIES.

(a) Subchapter III of chapter 73 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER III—POLITICAL ACTIVITIES

"§7321. Political participation

"It is the policy of the Congress that employees should be encouraged to exercise fully, freely, and without fear of penalty or reprisal, and to the extent not expressly prohibited by law, their right to participate or to refrain from participating in the political processes of the Nation.

"§7322. Definitions

"For the purpose of this subchapter—

"(1) 'employee' means any individual, other than the President and the Vice President, employed or holding office in—

"(A) an Executive agency other than the General Accounting Office;

"(B) a position within the competitive service which is not in an Executive agency; or

"(C) the government of the District of Columbia, other than the Mayor or a member of the City Council or the Recorder of Deeds;

but does not include a member of the uniformed services;

"(2) 'partisan political office' means any office for which any candidate is nominated or elected as representing a party any of whose candidates for Presidential elector received votes in the last preceding election at which Presidential electors were selected, but shall exclude any office or position within a political party or affiliated organization; and

"(3) 'political contribution'—

"(A) means any gift, subscription, loan, advance, or deposit of money or anything of value, made for any political purpose;

"(B) includes any contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for any political purpose;

"(C) includes any payment by any person, other than a candidate or a political party or affiliated organization, of compensation for the personal services of another person which are rendered to any candidate or political party or affiliated organization without charge for any political purpose; and

"(D) includes the provision of personal services for any political purpose.

"§7323. Political activity authorized; prohibitions

"(a) Subject to the provisions of subsection (b), an employee may take an active part in political management or in political campaigns, except an employee may not—

"(1) use his official authority or influence for the purpose of interfering with or affecting the result of an election;

"(2) knowingly solicit, accept, or receive a political contribution from any person, unless such person is—

"(A) a member of the same Federal labor organization as defined under section 7103(4) of this title or a Federal employee organization which as of the date of enactment of the Hatch Act Reform Amendments of 1993 had a multicandidate political committee (as defined under section 315(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(4)));

"(B) not a subordinate employee; and

"(C) the solicitation is for a contribution to the multicandidate political committee (as defined under section 315(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(4))) of such Federal labor organization as defined under section 7103(4) of this title or a Federal employee organization which as of the date of the enactment of the Hatch Act Reform Amendments of 1993 had a multicandidate political committee (as defined under section 315(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(4))); or

"(3) run for the nomination or as a candidate for election to a partisan political office; or

"(4) knowingly solicit or discourage the participation in any political activity of any person who—

"(A) has an application for any compensation, grant, contract, ruling, license, permit, or certificate pending before the employing office of such employee; or

"(B) is the subject of or a participant in an ongoing audit, investigation, or enforcement action being carried out by the employing office of such employee.

"(b)(1) An employee of the Federal Election Commission (except one appointed by the President, by and with the advice and consent of the Senate), may not request or receive from, or give to, an employee, a Member of Congress, or an officer of a uniformed service a political contribution.

"(2)(A) No employee described under subparagraph (B) (except one appointed by the President, by and with the advice and consent of the Senate), may take an active part in political management or political campaigns.

"(B) The provisions of subparagraph (A) shall apply to—

"(i) an employee of—

"(I) the Federal Election Commission;

"(II) the Federal Bureau of Investigation;

"(III) the Secret Service;

"(IV) the Central Intelligence Agency;

"(V) the National Security Council;

"(VI) the National Security Agency;

"(VII) the Defense Intelligence Agency;

"(VIII) the Merit Systems Protection Board;

"(IX) the Office of Special Counsel;

"(X) the Office of Criminal Investigation of the Internal Revenue Service;

"(XI) the Office of Investigative Programs of the United States Customs Service; or

"(XII) the Office of Law Enforcement of the Bureau of Alcohol, Tobacco, and Firearms; or

"(ii) a person employed in a position described under section 3132(a)(4), 5372, or 5372a of title 5, United States Code.

"(3) No employee of the Criminal Division of the Department of Justice (except one appointed by the President, by and with the advice and consent of the Senate), may take an active part in political management or political campaigns.

"(4) For purposes of this subsection, the term 'active part in political management or in a political campaign' means those acts of political management or political campaigning which were prohibited for employees of the competitive service before July 19, 1940, by determinations of the Civil Service Commission under the rules prescribed by the President.

"(c) An employee retains the right to vote as he chooses and to express his opinion on political subjects and candidates.

"§7324. Political activities on duty; prohibitions

"(a) An employee may not engage in political activity—

"(1) while the employee is on duty;

"(2) in any room or building occupied in the discharge of official duties by an individual employed or holding office in the Government of the United States or any agency or instrumentality thereof;

"(3) while wearing a uniform or official insignia identifying the office or position of the employee; or

"(4) using any vehicle owned or leased by the Government of the United States or any agency or instrumentality thereof.

"(b)(1) An employee described in paragraph (2) of this subsection may engage in political activity otherwise prohibited by subsection (a) if the costs associated with that political activity are not paid for by money derived from the Treasury of the United States.

"(2) Paragraph (1) applies to an employee—

"(A) the duties and responsibilities of whose position continue outside normal duty hours and while away from the normal duty post; and

"(B) who is—

"(i) an employee paid from an appropriation for the Executive Office of the President; or

"(ii) an employee appointed by the President, by and with the advice and consent of the Senate, whose position is located within the United States, who determines policies to be pursued by the United States in relations with foreign powers or in the nationwide administration of Federal laws.

"§7325. Political activity permitted; employees residing in certain municipalities

"The Office of Personnel Management may prescribe regulations permitting employees, without regard to the prohibitions in paragraphs (2) and (3) of section 7323(a) of this title, to take an active part in political management and political campaigns involving the municipality or other political subdivision in which they reside, to the extent the Office considers it to be in their domestic interest, when—

"(1) the municipality or political subdivision is in Maryland or Virginia and in the immediate vicinity of the District of Columbia, or is a municipality in which the majority of voters are employed by the Government of the United States; and

"(2) the Office determines that because of special or unusual circumstances which exist in the municipality or political subdivision it is in the domestic interest of the employees and individuals to permit that political participation.

"§7326. Penalties

"An employee or individual who violates section 7323 or 7324 of this title shall be removed from his position, and funds appropriated for the position from which removed thereafter may not be used to pay the employee or individual. However, if the Merit System Protection Board finds by unanimous vote that the violation does not warrant removal, a penalty of not less than 30 days' suspension without pay shall be imposed by direction of the Board."

(b)(1) Section 3302(2) of title 5, United States Code, is amended by striking out "7203, 7321, and 7322" and inserting in lieu thereof "and 7203".

(2) The table of sections for subchapter III of chapter 73 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER III—POLITICAL ACTIVITIES

"7321. Political participation.

"7322. Definitions.

"7323. Political activity authorized; prohibitions.

"7324. Political activities on duty; prohibition.

"7325. Political activity permitted; employees residing in certain municipalities.

"7326. Penalties."

SEC. 3. AMENDMENT TO CHAPTER 12 OF TITLE 5, UNITED STATES CODE.

Section 1216(c) of title 5, United States Code, is amended to read as follows:

"(c) If the Special Counsel receives an allegation concerning any matter under paragraph (1), (3), (4), or (5) of subsection (a), the Special

Counsel may investigate and seek corrective action under section 1214 and disciplinary action under section 1215 in the same way as if a prohibited personnel practice were involved."

SEC. 4. AMENDMENTS TO TITLE 18, UNITED STATES CODE.

(a) Section 602 of title 18, United States Code, relating to solicitation of political contributions, is amended—

(1) by inserting "(a)" before "It";

(2) in paragraph (4) by striking out all that follows "Treasury of the United States" and inserting in lieu thereof a semicolon and "to knowingly solicit any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employee, or person. Any person who violates this section shall be fined under this title or imprisoned not more than 3 years, or both.";

(3) by adding at the end thereof the following new subsection:

"(b) The prohibition in subsection (a) shall not apply to any activity of an employee (as defined in section 7322(1) of title 5) or any individual employed in or under the United States Postal Service or the Postal Rate Commission, unless that activity is prohibited by section 7323 or 7324 of such title."

(b) Section 603 of title 18, United States Code, relating to making political contributions, is amended by adding at the end thereof the following new subsection:

"(c) The prohibition in subsection (a) shall not apply to any activity of an employee (as defined in section 7322(1) of title 5) or any individual employed in or under the United States Postal Service or the Postal Rate Commission, unless that activity is prohibited by section 7323 or 7324 of such title."

(c)(1) Chapter 29 of title 18, United States Code, relating to elections and political activities is amended by adding at the end thereof the following new section:

"§610. Coercion of political activity

"It shall be unlawful for any person to intimidate, threaten, command, or coerce, or attempt to intimidate, threaten, command, or coerce, any employee of the Federal Government as defined in section 7322(1) of title 5, United States Code, to engage in, or not to engage in, any political activity, including, but not limited to, voting or refusing to vote for any candidate or measure in any election, making or refusing to make any political contribution, or working or refusing to work on behalf of any candidate. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both."

(2) The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following:

"610. Coercion of political activity."

SEC. 5. AMENDMENTS TO THE VOTING RIGHTS ACT OF 1965.

Section 6 of the Voting Rights Act of 1965 (42 U.S.C. 1973d) is amended by striking out "the provisions of section 9 of the Act of August 2, 1939, as amended (5 U.S.C. 118i), prohibiting partisan political activity" and by inserting in lieu thereof "the provisions of subchapter III of chapter 73 of title 5, United States Code, relating to political activities".

SEC. 6. AMENDMENTS RELATING TO APPLICATION OF CHAPTER 15 OF TITLE 5, UNITED STATES CODE.

Section 675(e) of the Community Services Block Grant Act (42 U.S.C. 9904(e)) is repealed.

SEC. 7. APPLICABILITY TO POSTAL EMPLOYEES.

The amendments made by this Act (except for the amendments made by section 8), and any regulations thereunder, shall apply with respect to employees of the United States Postal Service

and the Postal Rate Commission, pursuant to sections 410(b) and 3604(e) of title 39, United States Code.

SEC. 8. POLITICAL RECOMMENDATIONS.

(a) Section 3303 of title 5, United States Code, is amended to read as follows:

"§3303. Political recommendations

"(a) For the purposes of this section—

"(1) 'agency' means—

"(A) an Executive agency; and

"(B) an agency in the legislative branch with positions in the competitive service;

"(2) 'applicant' means an individual who has applied for appointment to be an employee;

"(3) 'employee' means an employee of an agency who is—

"(A) in the competitive service;

"(B) a career appointee in the Senior Executive Service or an employee under a similar appointment in a similar executive service; or

"(C) in the excepted service other than—

"(i) an employee who is appointed by the President; or

"(ii) an employee whose position has been determined to be of a confidential, policy-determining, policy-making, or policy-advocating character; and

"(4) 'personnel action' means any action described under clauses (i) through (x) of section 2302(a)(2)(A).

"(b) Except as provided under subsection (f), each personnel action with respect to an employee or applicant shall be taken without regard to any recommendation or statement, oral or written, with respect to any employee or applicant who requests or is under consideration for such personnel action, made by—

"(1) any Member of Congress or congressional employee;

"(2) any elected official of the government of any State (including the District of Columbia and the Commonwealth of Puerto Rico), county, city, or other subdivision thereof;

"(3) any official of a political party; or

"(4) any other individual or organization making such recommendation or statement on the basis of the party affiliation of the employee or applicant.

"(c) Except as provided under subsection (f), a person or organization referred to under subsection (b) (1) through (4) is prohibited from making or transmitting to any officer or employee of an agency, any recommendation or statement, oral or written, with respect to any employee or applicant who requests or is under consideration for any personnel action in such agency. Except as provided under subsection (f), the agency, or any officer or employee of the agency—

"(1) shall not solicit, request, consider, or accept any such recommendation or statement; and

"(2) shall return any such written recommendation or statement, appropriately marked as in violation of this section, to the person or organization transmitting the same.

"(d) Except as provided under subsection (f), an employee or applicant who requests or is under consideration for a personnel action in an agency is prohibited from requesting or soliciting from a person or organization referred to under subsection (b) (1) through (4) a recommendation or statement.

"(e) Under regulations prescribed by the Office of Personnel Management, the head of each agency shall ensure that employees and applicants are given notice of the provisions of this section.

"(f) An agency, or any authorized officer or employee of an agency, may solicit, accept, and consider, and any other individual or organization may furnish or transmit to the agency or such authorized officer or employee, any statement with respect to an employee or applicant

who requests or is under consideration for a personnel action, if—

"(1) the statement is furnished pursuant to a request or requirement of the agency and consists solely of an evaluation of the work performance, ability, aptitude, and general qualifications of the employee or applicant;

"(2) the statement relates solely to the character and residence of the employee or applicant;

"(3) the statement is furnished pursuant to a request made by an authorized representative of the Government of the United States solely in order to determine whether the employee or applicant meets suitability or security standards;

"(4) the statement is furnished by a former employer of the employee or applicant pursuant to a request of an agency, and consists solely of an evaluation of the work performance, ability, aptitude, and general qualifications of such employee or applicant during employment with such former employer; or

"(5) the statement is furnished pursuant to a provision of law or regulation authorizing consideration of such statement with respect to a specific position or category of positions.

"(g) An agency shall take any action it determines necessary and proper under subchapter I or II of chapter 75 to enforce the provisions of this section.

"(h) The provisions of this section shall not affect the right of any employee to petition Congress as authorized by section 7211."

(b) The table of sections for chapter 33 of title 5, United States Code, is amended by amending the item relating to section 3303 to read as follows:

"3303. Political recommendations."

(c) Section 2302(b)(2) of title 5, United States Code, is amended to read as follows:

"(2) solicit or consider any recommendation or statement, oral or written, with respect to any individual who requests or is under consideration for any personnel action except as provided under section 3303(f)."

SEC. 9. GARNISHMENT OF FEDERAL EMPLOYEES' PAY.

(a) Subchapter II of chapter 55 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§5520a. Garnishment of pay

"(a) For purposes of this section—

"(1) 'agency' means each agency of the Federal Government, including—

"(A) an executive agency, except for the General Accounting Office;

"(B) the United States Postal Service and the Postal Rate Commission;

"(C) any agency of the judicial branch of the Government; and

"(D) any agency of the legislative branch of the Government, including the General Accounting Office, each office of a Member of Congress, a committee of the Congress, or other office of the Congress;

"(2) 'employee' means an employee of an agency (including a Member of Congress as defined under section 2106);

"(3) 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment, that—

"(A) is issued by a court of competent jurisdiction within any State, territory, or possession of the United States, or an authorized official pursuant to an order of such a court or pursuant to State or local law; and

"(B) orders the employing agency of such employee to withhold an amount from the pay of such employee, and make a payment of such withholding to another person, for a specifically described satisfaction of a legal debt of the employee, or recovery of attorney's fees, interest, or court costs; and

"(4) 'pay' means—

"(A) basic pay, premium pay paid under subchapter V, any payment received under subchapter VI, VII, or VIII, severance and back pay paid under subchapter IX, sick pay, incentive pay, and any other compensation paid or payable for personal services, whether such compensation is denominated as wages, salary, commission, bonus pay or otherwise; and

"(B) does not include awards for making suggestions.

"(b) Subject to the provisions of this section and the provisions of section 303 of the Consumer Credit Protection Act (15 U.S.C. 1673) pay from an agency to an employee is subject to legal process in the same manner and to the same extent as if the agency were a private person.

"(c)(1) Service of legal process to which an agency is subject under this section may be accomplished by certified or registered mail, return receipt requested, or by personal service, upon—

"(A) the appropriate agent designated for receipt of such service of process pursuant to the regulations issued under this section; or

"(B) the head of such agency, if no agent has been so designated.

"(2) Such legal process shall be accompanied by sufficient information to permit prompt identification of the employee and the payments involved.

"(d) Whenever any person, who is designated by law or regulation to accept service of process to which an agency is subject under this section, is effectively served with any such process or with interrogatories, such person shall respond thereto within thirty days (or within such longer period as may be prescribed by applicable State law) after the date effective service thereof is made, and shall, as soon as possible but not later than fifteen days after the date effective service is made, send written notice that such process has been so served (together with a copy thereof) to the affected employee at his or her duty station or last-known home address.

"(e) No employee whose duties include responding to interrogatories pursuant to requirements imposed by this section shall be subject to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by such employee in connection with the carrying out of any of such employee's duties which pertain directly or indirectly to the answering of any such interrogatory.

"(f) Agencies affected by legal process under this section shall not be required to vary their normal pay and disbursement cycles in order to comply with any such legal process.

"(g) Neither the United States, an agency, nor any disbursing officer shall be liable with respect to any payment made from payments due or payable to an employee pursuant to legal process regular on its face, provided such payment is made in accordance with this section and the regulations issued to carry out this section. In determining the amount of any payment due from, or payable by, an agency to an employee, there shall be excluded those amounts which would be excluded under section 462(g) of the Social Security Act (42 U.S.C. 662(g)).

"(h)(1) Subject to the provisions of paragraph (2), if an agency is served under this section with more than one legal process with respect to the same payments due or payable to an employee, then such payments shall be available, subject to section 303 of the Consumer Credit Protection Act (15 U.S.C. 1673), to satisfy such processes in priority based on the time of service, with any such process being satisfied out of such amounts as remain after satisfaction of all such processes which have been previously served.

"(2) A legal process to which an agency is subject under sections 459, 461, and 462 of the

Social Security Act (42 U.S.C. 659, 661, and 662) for the enforcement of the employee's legal obligation to provide child support or make alimony payments, shall have priority over any legal process to which an agency is subject under this section.

"(i) The provisions of this section shall not modify or supersede the provisions of sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662) concerning legal process brought for the enforcement of an individual's legal obligations to provide child support or make alimony payments.

"(j)(1) Regulations implementing the provisions of this section shall be promulgated—

"(A) by the President or his designee for each executive agency, except with regard to employees of the United States Postal Service, the President or, at his discretion, the Postmaster General shall promulgate such regulations;

"(B) jointly by the President pro tempore of the Senate and the Speaker of the House of Representatives, or their designee, for the legislative branch of the Government; and

"(C) by the Chief Justice of the United States or his designee for the judicial branch of the Government.

"(2) Such regulations shall provide that an agency's administrative costs in executing a garnishment action may be added to the garnishment, and that the agency may retain costs recovered as offsetting collections.

"(k)(1) No later than 180 days after the date of the enactment of this Act, the Secretaries of the Executive departments concerned shall promulgate regulations to carry out the purposes of this section with regard to members of the uniformed services.

"(2) Such regulations shall include provisions for—

"(A) the involuntary allotment of the pay of a member of the uniformed services for indebtedness owed a third party as determined by the final judgment of a court of competent jurisdiction, and as further determined by competent military or executive authority, as appropriate, to be in compliance with the procedural requirements of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App. U.S.C. 501 et seq.); and

"(B) consideration for the absence of a member of the uniformed service from an appearance in a judicial proceeding resulting from the exigencies of military duty.

"(3) The Secretaries of the Executive departments concerned shall promulgate regulations under this subsection that are, as far as practicable, uniform for all of the uniformed services. The Secretary of Defense shall consult with the Secretary of Transportation with regard to the promulgation of such regulations that might affect members of the Coast Guard when the Coast Guard is operating as a service in the Navy."

"(b)(1) The table of chapters for chapter 55 of title 5, United States Code, is amended by inserting after the item relating to section 5520 the following:

"5520a. Garnishment of pay."

(2) Section 410(b) of title 39, United States Code, is amended—

(A) by redesignating the second paragraph (9) (relating to the Inspector General Act of 1978) as paragraph (10); and

(B) by adding at the end thereof the following new paragraph:

"(11) section 5520a of title 5."

SEC. 10. SENSE OF THE SENATE RELATING TO FEDERAL EMPLOYEE SOLICITATION OF FUNDS AND CANDIDACIES.

It is the sense of the Senate that Federal employees should not be authorized to—

(1) solicit political contributions from the general public; or

(2) run for the nomination or as a candidate for a local partisan political office, except as expressly provided under current law.

SEC. 11. SENSE OF THE SENATE RELATING TO ASSISTANCE TO NICARAGUA.

(a) FINDINGS.—The Senate finds the following:

(1) On May 23, 1993, an explosion in Managua, Nicaragua exposed a cache of weapons, including 19 surface-to-air missiles, hundreds of AK-47 assault rifles, machine guns, rocket propelled grenades, tons of ammunition and explosives.

(2) Investigations of the explosions have uncovered 310 passports from 21 different countries, including seven United States passports.

(3) Documents in the possession of those apprehended in connection with the February 26, 1993, bombing of the World Trade Center have been traced to Nicaragua.

(4) The acquisition and storage of these weapons and documents could not have been accomplished without the knowledge and cooperation of the Sandinista National Liberation Front and ministries of the Government of Nicaragua under its control.

(5) The Sandinista National Liberation Front has a history of subversion and links to international terrorism.

(6) The recent discovery demonstrates the inability of the legitimate Government of Nicaragua to control all of its ministries.

(7) This lack of authority makes uncertain the ability of the Government of Nicaragua to prevent the export of terrorism by the Sandinista National Liberation Front.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) no further United States foreign assistance to Nicaragua should be obligated pending investigation by an appropriate international body, with the participation of United States Federal agencies, of the Sandinista National Liberation Front; and

(2) such investigation should focus on the relationship of the Sandinista National Liberation Front to acts of terrorism which threaten to undermine the security of the United States and the political stability and economic prosperity of the Western Hemisphere.

SEC. 12. EFFECTIVE DATE.

(a) The amendments made by this Act shall take effect 120 days after the date of the enactment of this Act, except that the authority to prescribe regulations granted under section 7325 of title 5, United States Code (as added by section 2 of this Act), shall take effect on the date of the enactment of this Act.

(b) Any repeal or amendment made by this Act of any provision of law shall not release or extinguish any penalty, forfeiture, or liability incurred under that provision, and that provision shall be treated as remaining in force for the purpose of sustaining any proper proceeding or action for the enforcement of that penalty, forfeiture, or liability.

(c) No provision of this Act shall affect any proceedings with respect to which the charges were filed on or before the effective date of the amendments made by this Act. Orders shall be issued in such proceedings and appeals shall be taken therefrom as if this Act had not been enacted.

NATIONAL FORMER PRISONER-OF-WAR RECOGNITION DAY

Mr. WOFFORD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 54.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 54) entitled "Joint resolution

designating April 9, 1993, and April 9, 1994, as "National Former Prisoner of War Recognition Day," do pass with the following amendments:

Page 1, line 3, strike "April 9, 1993, and".

Amend the title so as to read: "Joint resolution designating April 9, 1994, as 'National Former Prisoner of War Recognition Day'."

Mr. WOFFORD. Mr. President, I move that the Senate concur, en bloc, in the amendments of the House.

The motion was agreed to.

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

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INDIAN TRIBAL JUSTICE SYSTEMS ACT

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 133, S. 521, a bill to assist the development of tribal judicial systems; that the committee amendment be agreed to, and the bill, as amended, be deemed read the third time, passed, and the motion to reconsider laid upon the table; that any statements relative to this measure appear in the RECORD at the appropriate place.

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

The Senate proceeded to consider the bill (S. 521) to assist the development of tribal judicial systems, and for other purposes, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and inserting in lieu thereof the following:

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE.

This Act may be cited as the "Indian Tribal Justice Systems Act".

SEC. 102. FINDINGS.

Congress finds and declares that—

(1) there is a government-to-government relationship between the United States and each Indian tribe;

(2) the United States has a trust responsibility to each tribal government that includes the protection of the sovereignty of each tribal government;

(3) Congress, through statutes, treaties, and the exercise of administrative authorities, has recognized the self-determination, self-reliance, and inherent sovereignty of Indian tribes;

(4) Indian tribes possess the inherent authority to establish their own form of government, including tribal justice systems;

(5) tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments;

(6) Congress and the Federal courts have repeatedly recognized tribal justice systems as the appropriate forums for the adjudication of disputes affecting personal and property rights;

(7) traditional tribal justice practices are essential to the maintenance of the culture and identity of Indian tribes and to the goals of this Act;

(8) tribal justice systems are inadequately funded and the lack of adequate funding impairs their operation; and

(9) tribal government involvement in and commitment to improving tribal justice systems is essential to the accomplishment of the goals of this Act.

SEC. 103. DEFINITIONS.

For purposes of this Act:

(1) The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

(2) The term "Courts of Indian Offenses" means the courts established pursuant to part 11 of title 25, Code of Federal Regulations.

(3) The term "Indian tribe" means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity, which administers justice under the authority of the United States or the inherent authority of the native entity and which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

(4) The term "judicial personnel" means any judge, magistrate, court counselor, court clerk, court administrator, bailiff, probation officer, officer of the court, dispute resolution facilitator, or other official, employee, or volunteer within the tribal justice system.

(5) The term "Office" means the Office of Tribal Justice Support within the Bureau of Indian Affairs.

(6) The term "Secretary" means the Secretary of the Interior.

(7) The term "tribal organization" means any organization defined in section 4(l) of the Indian Self-Determination and Education Assistance Act.

(8) The term "tribal justice system" means the entire justice system of an Indian tribe, including but not limited to traditional methods and forums for dispute resolution, lower courts, appellate courts (including intertribal appellate courts), alternative dispute resolution systems, and circuit rider systems, established by inherent tribal authority without regard to whether they constitute a court of record.

TITLE II—TRIBAL JUSTICE SYSTEMS

SEC. 201. OFFICE OF TRIBAL JUSTICE SUPPORT.

(a) ESTABLISHMENT.—There is hereby established within the Bureau the Office of Tribal Justice Support. The purpose of the Office shall be to further the development, operation, and enhancement of tribal justice systems and Courts of Indian Offenses.

(b) TRANSFER OF EXISTING FUNCTIONS AND PERSONNEL.—All functions performed before the date of the enactment of this Act by the Branch of Judicial Services of the Bureau and all personnel assigned to such Branch as of the date of the enactment of this Act are hereby transferred to the Office of Tribal Justice Support. Any reference in any law, regulation, executive order, reorganization plan, or delegation of authority to the Branch of Judicial Services is deemed to be a reference to the Office of Tribal Justice Support.

(c) FUNCTIONS.—Except as otherwise provided in title III, in addition to the functions transferred to the Office pursuant to subsection (b), the Office shall perform the following functions:

(1) Provide funds to Indian tribes and tribal organizations for the development, enhancement, and continuing operation of tribal justice systems.

(2) Provide technical assistance and training, including programs of continuing education and training for personnel of Courts of Indian Offenses.

(3) Study and conduct research concerning the operation of tribal justice systems.

(4) Promote cooperation and coordination between tribal justice systems, the Federal judiciary, and State judiciary systems.

(5) Oversee the continuing operations of the Courts of Indian Offenses.

(d) NO IMPOSITION OF STANDARDS.—Nothing in this Act shall be deemed or construed to authorize the Office to impose justice standards on Indian tribes.

(e) ASSISTANCE TO TRIBES.—(1) The Office shall provide training and technical assistance to any Indian tribe or tribal organization upon request. Technical assistance and training which may be provided by the Office shall include, but is not limited to, assistance for the development of—

(A) tribal codes and rules of procedure;

(B) tribal court administrative procedures and court records management systems;

(C) methods of reducing case delays;

(D) methods of alternative dispute resolution;

(E) tribal standards for judicial administration and conduct; and

(F) long-range plans for the enhancement of tribal justice systems.

(2) Technical assistance and training provided pursuant to paragraph (1) may be provided through direct services, by contract with independent entities, or through grants to Indian tribes and tribal organizations.

(f) INFORMATION CLEARINGHOUSE ON TRIBAL JUSTICE SYSTEMS.—The Office shall establish and maintain an information clearinghouse (which shall include an electronic data base) on tribal justice systems, including, but not limited to, information on staffing, funding, model tribal codes, tribal justice activities, and tribal judicial decisions. The Office shall take such action as may be necessary to ensure the confidentiality records, and other matters involving privacy rights.

SEC. 202. SURVEY OF TRIBAL JUDICIAL SYSTEMS.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary, in consultation with Indian tribes, shall enter into a contract with a non-Federal entity to conduct a survey of conditions of tribal justice systems and Courts of Indian Offenses to determine the resources and funding, including base support funding, needed to provide for expeditious and effective administration of justice. The Secretary, in like manner, shall annually update the information and findings contained in the survey required under this section. Any survey conducted pursuant to this section shall be completed and its findings reported by the Secretary and the Congress not later than 12 months after the date on which the contract for the conduct of the survey is executed.

(b) LOCAL CONDITIONS.—In the course of any annual survey, the non-Federal entity shall document local conditions of each Indian tribe, including, but not limited to—

(1) the geographic area and population to be served;

(2) the levels of functioning and capacity of the tribal justice system;

(3) the volume and complexity of the case loads;

(4) the facilities, including detention facilities, and program resources available;

(5) funding levels and personnel staffing requirements for the tribal justice system; and

(6) the training and technical assistance needs of the tribal justice system.

(c) CONSULTATION WITH INDIAN TRIBES.—The non-Federal entity shall actively consult with Indian tribes and tribal organizations in the development and conduct of the survey, including updates thereof, of conditions of tribal justice systems. Indian tribes and tribal organizations shall have the opportunity to review and make recommendations regarding the findings of the survey, including updates thereof, prior to final publication of the survey, or any update thereof. After Indian tribes and tribal organizations have reviewed and commented on the results of the survey, or any update thereof, the non-Federal entity shall report its findings, together

with the comments and recommendations of the Indian tribes and tribal organizations, to the Secretary, the Committee on Indian Affairs of the Senate, and the Subcommittee on Native American Affairs of the Committee on Natural Resources of the House of Representatives.

SEC. 203. BASE SUPPORT FUNDING FOR TRIBAL JUSTICE SYSTEMS.

(a) **IN GENERAL.**—Pursuant to the Indian Self-Determination and Education Assistance Act, the Secretary is authorized to enter into contracts, grants, or agreements with Indian tribes and tribal organizations, for the development, enhancement, and continuing operation of tribal justice systems and traditional tribal judicial practices by Indian tribal governments.

(b) **PURPOSES FOR WHICH FINANCIAL ASSISTANCE MAY BE USED.**—Financial assistance provided through contracts, grants, or agreements entered into pursuant to this section may be used for—

- (1) planning for the development, enhancement, and operation of tribal justice systems;
- (2) the employment of judicial personnel;
- (3) training programs and continuing education for tribal judicial personnel;
- (4) the acquisition, development, and maintenance of a law library or computer assisted legal research capacities;
- (5) the development, revision, and publication of tribal codes, rules of practice, rules of procedure, and standards of judicial performance and conduct;
- (6) the development and operation of records management systems;
- (7) the construction or renovation of facilities for tribal justice systems;
- (8) membership and related expenses for participation in national and regional organizations of tribal justice systems and other professional organizations; and
- (9) the development and operation of other innovative and culturally relevant programs and projects, including programs and projects for—

- (A) alternative dispute resolution;
- (B) tribal victims assistance or victims services;
- (C) tribal probation services or diversion programs;
- (D) juvenile justice services and multidisciplinary investigations of child abuse; and
- (E) traditional tribal judicial practices, traditional tribal justice systems and traditional methods of dispute resolution.

(c) **FORMULA.**—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary, with the full participation of Indian tribes, shall establish and promulgate by regulation, a formula which establishes base support funding for tribal justice systems in carrying out this section.

(2) The Secretary shall assess caseload and staffing needs for tribal justice systems and take into account unique geographic and demographic conditions. In the assessment of these needs, the Secretary shall work cooperatively with Indian tribes and tribal organizations and shall refer to any data developed as a result of the surveys conducted pursuant to section 202 and to comparable relevant assessment standards developed by the Judicial Conference of the United States, the National Center for State Courts, and the American Bar Association.

(3) Factors to be considered in the development of the base support funding formula shall include, but are not limited to—

- (A) the caseload and staffing needs identified under paragraph (2) of this section;
- (B) the geographic area and population to be served;
- (C) the volume and complexity of the caseloads;
- (D) the projected number of cases per month;
- (E) the projected number of persons receiving probation services or participating in diversion programs; and

(F) any special circumstances warranting additional financial assistance.

(4) In developing the formula for base support funding for tribal judicial systems under this section, the Secretary shall ensure equitable distribution of funds.

TITLE III—TRIBAL JUDICIAL CONFERENCES

SEC. 301. ESTABLISHMENT; FUNDING.

(a) **ESTABLISHMENT.**—In any case in which two or more governing bodies of Indian tribes establish a regional or national judicial conference, such conference shall be considered a tribal organization and eligible to contract for funds under this title, if each member tribe served by the conference has adopted a tribal resolution which authorizes the tribal judicial conference to receive and administer funds under this title. At the written request of any tribal judicial conference, a contract entered into pursuant to this title shall authorize the conference to receive funds and perform any or all of the duties of the Bureau and the Office under sections 201 and 202 of this Act on behalf of the members of such conference.

(b) **CONTRACT AUTHORITY.**—Pursuant to the Indian Self-Determination and Education Assistance Act, the Secretary is authorized, subject to appropriations, to enter into contracts, grants, or agreements with a tribal judicial conference for the development, enhancement, and continuing operation of tribal justice systems of Indian tribes which are members of such conference.

(c) **FUNDING.**—The Secretary is authorized to provide funding to tribal judicial conferences pursuant to contracts entered into under the authority of the Indian Self-Determination and Education Assistance Act for administrative expenses incurred by such conferences.

TITLE IV—STUDY OF TRIBAL/FEDERAL COURT REVIEW

SEC. 401. STUDY.

(a) **TRIBAL/FEDERAL COURT REVIEW.**—A comprehensive study shall be conducted in accordance with subsection (b), of the treatment by tribal justice systems of matters arising under the Indian Civil Rights Act (25 U.S.C. 1301 et seq.) and of other Federal laws for which tribal justice systems have jurisdictional authority and regulations promulgated by Federal agencies pursuant to the Indian Civil Rights Act and other Acts of Congress. The study shall include an analysis of those Indian Civil Rights Act cases that were the subject of Federal court review from 1968 to 1978 and the burden, if any, on tribal governments, tribal justice systems, and Federal courts of such review. The study shall address the circumstances under which Federal court review of actions arising under the Indian Civil Rights Act may be appropriate or warranted.

(b) **TRIBAL/FEDERAL COURT REVIEW STUDY PANEL.**—The study required in subsection (a) shall be conducted by the Tribal/Federal Court Review Study Panel in consultation with tribal governments.

SEC. 402. TRIBAL/FEDERAL COURT REVIEW STUDY PANEL.

(a) **COMPOSITION.**—The Tribal/Federal Court Review Study Panel shall consist of—

(1) four representatives of tribal governments, including tribal court judges, two of whom shall be appointed by the Speaker of the House of Representatives and two of whom shall be appointed by the President pro tempore of the Senate; and

(2) four members of the United States Courts of Appeal, of whom one shall be appointed by the chief judge of the eighth circuit, one by the chief judge of the ninth circuit, one by the chief judge of the tenth circuit, and one by the chief judge of the Federal circuit.

(b) **PERSONNEL.**—The Tribal/Federal Court Review Study Panel may employ, on a temporary basis, such personnel as are required to carry out the provisions of this title.

(c) **FINDINGS.**—The Tribal/Federal Court Review Study Panel, not later than the expiration of the 12-month period following the date on which moneys are first made available to carry out this title, shall submit its findings and recommendations to—

- (1) Congress;
- (2) the Secretary;
- (3) the Director of the Administrative Office of the United States Courts; and
- (4) each Indian tribe.

(d) **TERMINATION.**—Thirty days after the Panel has submitted its findings and recommendations under subsection (c), the Panel shall cease to exist.

TITLE V—AUTHORIZATIONS

SEC. 501. TRIBAL JUSTICE SYSTEMS.

(a) **OFFICE.**—There are authorized to be appropriated to carry out the provisions of sections 201, 202, and 301(a) of this Act, \$7,000,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000. None of the funds provided pursuant to the authorizations under this subsection may be used for the administrative expenses of the Office.

(b) **BASE SUPPORT FUNDING FOR TRIBAL JUSTICE SYSTEMS AND JUDICIAL CONFERENCES.**—There are authorized to be appropriated to carry out the provisions of section 203 of this Act, \$50,000,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(c) **ADMINISTRATIVE EXPENSES FOR OFFICE.**—There are authorized to be appropriated, for the administrative expenses of the Office, \$500,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(d) **ADMINISTRATIVE EXPENSES FOR TRIBAL JUDICIAL CONFERENCES.**—There are authorized to be appropriated, for the administrative expenses of tribal judicial conferences, \$500,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(e) **SURVEY.**—For carrying out the survey under section 202, there is authorized to be appropriated, in addition to the amount authorized under subsection (a) of this section, \$400,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(f) **AUTHORIZATION.**—For carrying out the study under section 401, there is authorized to be appropriated such sums as may be necessary.

(g) **NO OFFSET.**—No Federal agency shall offset funds made available pursuant to this Act for tribal justice systems against funds otherwise available for use in connection with tribal justice systems.

(h) **ALLOCATION OF FUNDS.**—In allocating funds appropriated pursuant to the authorization contained in subsection (a) of this section among the Bureau, Office, tribal governments, and tribal judicial conferences, the Secretary shall take such action as may be necessary to ensure that such allocation is carried out in a manner that is fair and equitable, and is proportionate to base support funding under section 203 received by the Bureau, Office, tribal governments, and tribal government members comprising a judicial conference.

(i) **INDIAN PRIORITY SYSTEM.**—Funds appropriated pursuant to the authorizations provided by this section and available for a tribal justice system shall not be subject to the Indian priority system. Nothing in this Act shall preclude a tribal government from supplementing any funds received under this Act with funds received from any other source including the Bureau or any other Federal agency.

TITLE VI—DISCLAIMERS

SEC. 601. TRIBAL AUTHORITY.

Nothing in this Act shall be construed to—

(1) encroach upon or diminish in any way the inherent sovereign authority of each tribal government to determine the role of the tribal court within the tribal government or to enact and enforce tribal laws;

(2) diminish in any way the authority of tribal governments to appoint personnel;

(3) impair the rights of each tribal government to determine the nature of its own legal system or the apportionment of authority within the tribal government;

(4) alter in any way traditional dispute resolution forums;

(5) imply that any tribal court is an instrumentality of the United States; or

(6) diminish the trust responsibility of the United States to Indian tribal governments and tribal justice systems of such governments.

Mr. INOUE. Mr. President, I am pleased today to present to the Senate the bill, S. 521 to provide resources to Indian tribal justice systems. This bipartisan bill is the outgrowth of nearly 6 years of debate and discussion amongst the Congress, the Nation's Indian tribal governments, National Indian Organizations, and the administration, concerning the best and most efficient way to provide increased Federal resources to Indian tribal courts while preserving and protecting the inherent authority of each sovereign tribal government to determine the nature of its own legal system.

Mr. President, the measure proposed for consideration by the Senate today is similar in many respects to a bill passed last year but which was not agreed to by the House. However, this year, the House Subcommittee on Native American Affairs of the Committee on Natural Resources has acted favorably on H.R. 1268, a bill that is now pending full committee action. I am pleased to report that the provisions of S. 521 are similar to those in the bill now being considered by the House Committee on Natural Resources.

S. 521 authorizes \$50 million for base support funding for Indian tribal justice systems. Over 170 tribal courts now receive some Federal assistance but the total outlay for fiscal year 1993 is less than \$13 million. The amount of funding in S. 521 is a conservative authorization given the overwhelming need for resources of these court systems. This need was made evident during eight hearings over the past 3 years before the Committee on Indian Affairs in which witnesses detailed the lack of funding for basic tribal court functions, including personnel, reporting, records managements, standards development, and facilities. Base support funding can be used for personnel salaries, training, acquisition of law libraries or computer-assisted legal research systems, revision of tribal codes and rules of procedure, records management, and facilities construction or renovation.

The base support funding will be allocated on the basis of a formula developed after a survey on tribal court needs is conducted by the secretary through contract with a non-Federal

entity. The survey will consider case-loads, geographic locations, and facilities needs, as well as current funding and staffing levels of each and every tribal justice system.

In addition to the base support funding for Indian tribal justice systems, the bill authorizes \$7 million per year for training and technical assistance. These training and technical assistance services may be provided either directly or by contracts or grants and funds can be used for development of tribal codes and rules of procedure, court records management systems, development of standards for judicial administration and conduct, and other purposes.

One of the issues that was the subject of consideration during development of this bill was the entity that would be responsible for providing the base support funding and the training and technical assistance grants and contracts. Based upon testimony presented to the committee by the Bureau of Indian Affairs [BIA], many tribal governments are concerned that the Bureau of Indian Affairs will insist upon imposing BIA-determined standards if it is charged with administering a major program of support for tribal judicial systems. This is a very real concern and one that the committee attempted to address by including disclaimer provisions in the bill and by limiting the amount of funds that the BIA can use for administrative costs. The committee has thus limited the amount of interference by the Bureau of Indian Affairs. At the same time, the committee elected to elevate the current branch of judicial services to an Office of Judicial Support. This increased visibility within the BIA will help to focus attention on the needs of tribal justice systems.

The bill also provides that one or more tribal judicial conferences can contract to perform the services and functions of the Office of Tribal Justice Support. While a conference would not be able to contract to allocate base support funding, it would be able to perform all other duties. Funds are also provided in the bill to support the administrative costs of the conference of conferences.

Mr. President, I believe the measure before the Senate today, S. 521, is an excellent bill. While it is a bill that reflects compromise, more fundamentally, it represents the preservation of the sovereign authority of tribal governments to determine the future of their tribal justice systems. Sovereign nations, no matter how limited or expansive their sovereignty might be, can only exercise that sovereignty through the legal systems they develop to implement civil and criminal codes and to enforce regulatory provisions. Mr. President, this bill will assist tribal governments in their efforts to develop strong tribal justice systems. For these

reasons, I urge my colleagues to act favorably on this measure.

Mr. MCCAIN. Mr. President, I introduced S. 521 on March 5, 1993, with Senators INOUE and CAMPBELL whom I thank for their assistance and support.

The Indian Tribal Justice Act is intended to address the needs of Indian tribal justice systems by providing adequate Federal resources to tribal governments for use by their justice systems. The bill provides for the establishment of the Office of Tribal Justice Support in the Bureau of Indian Affairs to carry out the purposes of the act. The Office would have the resources and the authority to assist tribes in the development of all aspects of tribal justice systems either directly or through grants and contracts. The Office would also serve as a clearinghouse for information on tribal justice systems and conduct an annual survey of their resource needs, through a contract with a non-Federal entity which is to be selected through careful consultations with Indian tribal governments. The bill authorizes the Secretary of the Interior to enter into self-determination contracts with tribal judicial conferences should two or more tribes decide to form such a conference. A panel of Federal judges and tribal representatives would conduct a study and provide findings and recommendations on the treatment of the Indian Civil Rights Act and other Federal laws in tribal justice systems if S. 521 is enacted.

For fiscal years 1994 through 2000 the bill authorizes \$50 million per year for formula based funding support for tribal justice systems, \$7 million per year for training and technical assistance grants, \$500,000 per year for the administrative expenses of the Office of Tribal Justice Support, \$500,000 per year for the administrative costs of tribal judicial conferences, and such sums as may be necessary for the tribal/Federal court review study. Funds appropriated under the authority of the act and made available to Indian tribes shall not be subject to the Indian Priority System.

Mr. President, the Committee on Indian Affairs has been working on legislation to assist tribal justice systems for the past 5 years. During the 101st Congress, committee staff engaged in an extensive consultation process with tribal leaders and judges in an effort to reach a consensus on a legislative proposal. While great progress was made, no clear consensus emerged.

During the 102d Congress, the committee held seven hearings on the needs of tribal courts and issues associated with the exercise of tribal jurisdiction. Two bills were introduced to specifically address the resource needs of tribal justice systems. S. 667, which I sponsored along with Senator INOUE, was the subject of hearings which ultimately led to the introduction of S.

1752 by Senator INOUE and I. Further hearings were held on S. 1752 and a substitute version of this bill was favorably reported by the committee and passed by the full Senate.

Concurrent with the committee's consideration of S. 667 and S. 1752, the Committee on Interior and Insular Affairs of the House considered legislation to strengthen tribal courts and held two hearings during the 102d Congress. The House ultimately passed H.R. 4004 and it was referred to the Senate Select Committee on Indian Affairs. The provisions of S. 1752 were substituted for the provisions of H.R. 4004, passed by the full Senate and returned to the House where it died upon the adjournment of the 102d Congress.

There were many fundamental differences between S. 1752 and H.R. 4004, and the administration opposed both bills as unnecessary. The most significant difference between the House and Senate bills was in the fact that the House bill provided a strong role for the Bureau of Indian Affairs in the administration of funds appropriated for the benefit of tribal courts. While the Senate bill provided for some authority to be vested in the BIA, it also provided a mechanism whereby the tribes could form a tribal judicial conference which would be recognized by the Congress and which would administer funds intended for tribal judicial systems. The House declined to consider the Senate bill because it mandated House floor procedures and because of concerns about its unconstitutionality under the appointments clause. Indian tribal governments were divided in their support for the House and Senate bills.

The introduction of S. 521 on March 5, 1993, reflected a good faith attempt to develop a compromise with the House. The bill would leave the primary administrative authority for funds appropriated for the benefit of tribal courts with the BIA. The bill does authorize the Secretary to enter into grants or contracts under Public Law 93-638, the Indian Self-Determination and Education Assistance Act, with a tribal judicial conference if two or more tribes should elect to form such a conference. The conference could, at the discretion of the tribal governments which are members of the conference, contract to perform any of the functions of the BIA except the development of the formula, and the distribution of base support funding. The Committee on Indian Affairs conducted a hearing on S. 521 on April 20, 1993.

Representatives RICHARDSON and ENGLISH introduced nearly identical legislation, H.R. 1268, in the House on March 9, 1993. The most significant difference between the two bills as introduced was that the House bill would permit tribal judicial conferences to contract to administer all funds including base support funding. The House

Natural Resources Subcommittee on Native American Affairs conducted a hearing on H.R. 1268 on April 21, 1993.

On April 16, 1993, the Committee on Indian Affairs conducted a business meeting during which an amendment in the nature of a substitute to S. 521 was considered and unanimously approved. The substitute reflected changes based on comments received at the April 20, 1993, hearing and written comments received by the committee prior to May 20, 1993. In addition, the staff continued to consult with the staff of the House Subcommittee on Native American Affairs in an effort to resolve differences between S. 521 and H.R. 1268.

Most of the revisions incorporated in the substitute reflect minor or technical word changes intended to narrow the focus and clarify the purpose of the bill as introduced. Title IV of the substitute incorporates a change based on a request by Senator GORTON to include language from S. 1752 which provided for a tribal/Federal court review study to determine the treatment being accorded the Indian Civil Rights Act and other Federal laws being enforced through tribal justice systems.

As was the case in the 102d Congress, the administration continues to oppose any legislation to enhance tribal justice systems, although it does now support the underlying intent of S. 521 and does recognize the need to provide additional financial and technical assistance to tribal justice systems as well as the need for the survey authorized in S. 521. While the administration concedes the need to elevate the Branch of Judicial Services to provide greater accountability and coordination with other programs, it continues to oppose the establishment of the Office of Tribal Justice Support on the ground that it would somehow duplicate budget, finance, and planning personnel. The substitute addresses this concern by specifically limiting the funds available for administration of the Office to \$500,000 per fiscal year.

Mr. President, I urge all of my colleagues to join with me and the other members of the Committee on Indian Affairs in support of this long overdue legislation. I want to express my sincere thanks to all of the Indian tribal government leaders and judges who have worked so hard for so many years to develop this legislation. I know that this bill does not satisfy all known needs of tribal justice systems, but it does finally set tribal and Federal Governments on the right course.

So the bill (S. 521), as amended, was deemed read the third time, and passed, as follows:

S. 521

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

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE.

This Act may be cited as the "Indian Tribal Justice Systems Act".

SEC. 102. FINDINGS.

Congress finds and declares that—

- (1) there is a government-to-government relationship between the United States and each Indian tribe;

- (2) the United States has a trust responsibility to each tribal government that includes the protection of the sovereignty of each tribal government;

- (3) Congress, through statutes, treaties, and the exercise of administrative authorities, has recognized the self-determination, self-reliance, and inherent sovereignty of Indian tribes;

- (4) Indian tribes possess the inherent authority to establish their own form of government, including tribal justice systems;

- (5) tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments;

- (6) Congress and the Federal courts have repeatedly recognized tribal justice systems as the appropriate forums for the adjudication of disputes affecting personal and property rights;

- (7) traditional tribal justice practices are essential to the maintenance of the culture and identity of Indian tribes and to the goals of this Act;

- (8) tribal justice systems are inadequately funded and the lack of adequate funding impairs their operation; and

- (9) tribal government involvement in and commitment to improving tribal justice systems is essential to the accomplishment of the goals of this Act.

SEC. 103. DEFINITIONS.

For purposes of this Act:

- (1) The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

- (2) The term "Courts of Indian Offenses" means the courts established pursuant to part 11 of title 25, Code of Federal Regulations.

- (3) The term "Indian tribe" means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity, which administers justice under the authority of the United States or the inherent authority of the native entity and which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

- (4) The term "judicial personnel" means any judge, magistrate, court counselor, court clerk, court administrator, bailiff, probation officer, officer of the court, dispute resolution facilitator, or other official, employee, or volunteer within the tribal justice system.

- (5) The term "Office" means the Office of Tribal Justice Support within the Bureau of Indian Affairs.

- (6) The term "Secretary" means the Secretary of the Interior.

- (7) The term "tribal organization" means any organization defined in section 4(1) of the Indian Self-Determination and Education Assistance Act.

- (8) The term "tribal justice system" means the entire justice system of an Indian tribe, including but not limited to traditional methods and forums for dispute resolution, lower courts, appellate courts (including intertribal appellate courts), alternative dispute resolution systems, and circuit rider

systems, established by inherent tribal authority without regard to whether they constitute a court of record.

TITLE II—TRIBAL JUSTICE SYSTEMS

SEC. 201. OFFICE OF TRIBAL JUSTICE SUPPORT.

(a) ESTABLISHMENT.—There is hereby established within the Bureau the Office of Tribal Justice Support. The purpose of the Office shall be to further the development, operation, and enhancement of tribal justice systems and Courts of Indian Offenses.

(b) TRANSFER OF EXISTING FUNCTIONS AND PERSONNEL.—All functions performed before the date of the enactment of this Act by the Branch of Judicial Services of the Bureau and all personnel assigned to such Branch as of the date of the enactment of this Act are hereby transferred to the Office of Tribal Justice Support. Any reference in any law, regulation, executive order, reorganization plan, or delegation of authority to the Branch of Judicial Services is deemed to be a reference to the Office of Tribal Justice Support.

(c) FUNCTIONS.—Except as otherwise provided in title III, in addition to the functions transferred to the Office pursuant to subsection (b), the Office shall perform the following functions:

(1) Provide funds to Indian tribes and tribal organizations for the development, enhancement, and continuing operation of tribal justice systems.

(2) Provide technical assistance and training, including programs of continuing education and training for personnel of Courts of Indian Offenses.

(3) Study and conduct research concerning the operation of tribal justice systems.

(4) Promote cooperation and coordination between tribal justice systems, the Federal judiciary, and State judiciary systems.

(5) Oversee the continuing operations of the Courts of Indian Offenses.

(d) NO IMPOSITION OF STANDARDS.—Nothing in this Act shall be deemed or construed to authorize the Office to impose justice standards on Indian tribes.

(e) ASSISTANCE TO TRIBES.—(1) The Office shall provide training and technical assistance to any Indian tribe or tribal organization upon request. Technical assistance and training which may be provided by the Office shall include, but is not limited to, assistance for the development of—

(A) tribal codes and rules of procedure;

(B) tribal court administrative procedures and court records management systems;

(C) methods of reducing case delays;

(D) methods of alternative dispute resolution;

(E) tribal standards for judicial administration and conduct; and

(F) long-range plans for the enhancement of tribal justice systems.

(2) Technical assistance and training provided pursuant to paragraph (1) may be provided through direct services, by contract with independent entities, or through grants to Indian tribes and tribal organizations.

(f) INFORMATION CLEARINGHOUSE ON TRIBAL JUSTICE SYSTEMS.—The Office shall establish and maintain an information clearinghouse (which shall include an electronic data base) on tribal justice systems, including, but not limited to, information on staffing, funding, model tribal codes, tribal justice activities, and tribal judicial decisions. The Office shall take such action as may be necessary to ensure the confidentiality records, and other matters involving privacy rights.

SEC. 202. SURVEY OF TRIBAL JUDICIAL SYSTEMS.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act,

the Secretary, in consultation with Indian tribes, shall enter into a contract with a non-Federal entity to conduct a survey of conditions of tribal justice systems and Courts of Indian Offenses to determine the resources and funding, including base support funding, needed to provide for expeditious and effective administration of justice. The Secretary, in like manner, shall annually update the information and findings contained in the survey required under this section. Any survey conducted pursuant to this section shall be completed and its findings reported by the Secretary and the Congress not later than 12 months after the date on which the contract for the conduct of the survey is executed.

(b) LOCAL CONDITIONS.—In the course of any annual survey, the non-Federal entity shall document local conditions of each Indian tribe, including, but not limited to—

(1) the geographic area and population to be served;

(2) the levels of functioning and capacity of the tribal justice system;

(3) the volume and complexity of the case loads;

(4) the facilities, including detention facilities, and program resources available;

(5) funding levels and personnel staffing requirements for the tribal justice system; and

(6) the training and technical assistance needs of the tribal justice system.

(c) CONSULTATION WITH INDIAN TRIBES.—The non-Federal entity shall actively consult with Indian tribes and tribal organizations in the development and conduct of the survey, including updates thereof, of conditions of tribal justice systems. Indian tribes and tribal organizations shall have the opportunity to review and make recommendations regarding the findings of the survey, including updates thereof, prior to final publication of the survey, or any update thereof. After Indian tribes and tribal organizations have reviewed and commented on the results of the survey, or any update thereof, the non-Federal entity shall report its findings, together with the comments and recommendations of the Indian tribes and tribal organizations, to the Secretary, the Committee on Indian Affairs of the Senate, and the Subcommittee on Native American Affairs of the Committee on Natural Resources of the House of Representatives.

SEC. 203. BASE SUPPORT FUNDING FOR TRIBAL JUSTICE SYSTEMS.

(a) IN GENERAL.—Pursuant to the Indian Self-Determination and Education Assistance Act, the Secretary is authorized to enter into contracts, grants, or agreements with Indian tribes and tribal organizations, for the development, enhancement, and continuing operation of tribal justice systems and traditional tribal judicial practices by Indian tribal governments.

(b) PURPOSES FOR WHICH FINANCIAL ASSISTANCE MAY BE USED.—Financial assistance provided through contracts, grants, or agreements entered into pursuant to this section may be used for—

(1) planning for the development, enhancement, and operation of tribal justice systems;

(2) the employment of judicial personnel;

(3) training programs and continuing education for tribal judicial personnel;

(4) the acquisition, development, and maintenance of a law library or computer assisted legal research capacities;

(5) the development, revision, and publication of tribal codes, rules of practice, rules of procedure, and standards of judicial performance and conduct;

(6) the development and operation of records management systems;

(7) the construction or renovation of facilities for tribal justice systems;

(8) membership and related expenses for participation in national and regional organizations of tribal justice systems and other professional organizations; and

(9) the development and operation of other innovative and culturally relevant programs and projects, including programs and projects for—

(A) alternative dispute resolution;

(B) tribal victims assistance or victims services;

(C) tribal probation services or diversion programs;

(D) juvenile justice services and multidisciplinary investigations of child abuse; and

(E) traditional tribal judicial practices, traditional tribal justice systems and traditional methods of dispute resolution.

(c) FORMULA.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary, with the full participation of Indian tribes, shall establish and promulgate by regulation, a formula which establishes base support funding for tribal justice systems in carrying out this section.

(2) The Secretary shall assess caseload and staffing needs for tribal justice systems and take into account unique geographic and demographic conditions. In the assessment of these needs, the Secretary shall work cooperatively with Indian tribes and tribal organizations and shall refer to any data developed as a result of the surveys conducted pursuant to section 202 and to comparable relevant assessment standards developed by the Judicial Conference of the United States, the National Center for State Courts, and the American Bar Association.

(3) Factors to be considered in the development of the base support funding formula shall include, but are not limited to—

(A) the caseload and staffing needs identified under paragraph (2) of this section;

(B) the geographic area and population to be served;

(C) the volume and complexity of the case-loads;

(D) the projected number of cases per month;

(E) the projected number of persons receiving probation services or participating in diversion programs; and

(F) any special circumstances warranting additional financial assistance.

(4) In developing the formula for base support funding for tribal judicial systems under this section, the Secretary shall ensure equitable distribution of funds.

TITLE III—TRIBAL JUDICIAL CONFERENCES

SEC. 301. ESTABLISHMENT; FUNDING.

(a) ESTABLISHMENT.—In any case in which two or more governing bodies of Indian tribes establish a regional or national judicial conference, such conference shall be considered a tribal organization and eligible to contract for funds under this title, if each member tribe served by the conference has adopted a tribal resolution which authorizes the tribal judicial conference to receive and administer funds under this title. At the written request of any tribal judicial conference, a contract entered into pursuant to this title shall authorize the conference to receive funds and perform any or all of the duties of the Bureau and the Office under sections 201 and 202 of this Act on behalf of the members of such conference.

(b) CONTRACT AUTHORITY.—Pursuant to the Indian Self-Determination and Education

Assistance Act, the Secretary is authorized, subject to appropriations, to enter into contracts, grants, or agreements with a tribal judicial conference for the development, enhancement, and continuing operation of tribal justice systems of Indian tribes which are members of such conference.

(c) FUNDING.—The Secretary is authorized to provide funding to tribal judicial conferences pursuant to contracts entered into under the authority of the Indian Self-Determination and Education Assistance Act for administrative expenses incurred by such conferences.

TITLE IV—STUDY OF TRIBAL/FEDERAL COURT REVIEW

SEC. 401. STUDY.

(a) TRIBAL/FEDERAL COURT REVIEW.—A comprehensive study shall be conducted in accordance with subsection (b), of the treatment by tribal justice systems of matters arising under the Indian Civil Rights Act (25 U.S.C. 1301 et seq.) and of other Federal laws for which tribal justice systems have jurisdictional authority and regulations promulgated by Federal agencies pursuant to the Indian Civil Rights Act and other Acts of Congress. The study shall include an analysis of those Indian Civil Rights Act cases that were the subject of Federal court review from 1968 to 1978 and the burden, if any, on tribal governments, tribal justice systems, and Federal courts of such review. The study shall address the circumstances under which Federal court review of actions arising under the Indian Civil Rights Act may be appropriate or warranted.

(b) TRIBAL/FEDERAL COURT REVIEW STUDY PANEL.—The study required in subsection (a) shall be conducted by the Tribal/Federal Court Review Study Panel in consultation with tribal governments.

SEC. 402. TRIBAL/FEDERAL COURT REVIEW STUDY PANEL.

(a) COMPOSITION.—The Tribal/Federal Court Review Study Panel shall consist of—

(1) four representatives of tribal governments, including tribal court judges, two of whom shall be appointed by the Speaker of the House of Representatives and two of whom shall be appointed by the President pro tempore of the Senate; and

(2) four members of the United States Courts of Appeal, of whom one shall be appointed by the chief judge of the eighth circuit, one by the chief judge of the ninth circuit, one by the chief judge of the tenth circuit, and one by the chief judge of the Federal circuit.

(b) PERSONNEL.—The Tribal/Federal Court Review Study Panel may employ, on a temporary basis, such personnel as are required to carry out the provisions of this title.

(c) FINDINGS.—The Tribal/Federal Court Review Study Panel, not later than the expiration of the 12-month period following the date on which moneys are first made available to carry out this title, shall submit its findings and recommendations to—

(1) Congress;

(2) the Secretary;

(3) the Director of the Administrative Office of the United States Courts; and

(4) each Indian tribe.

(d) TERMINATION.—Thirty days after the Panel has submitted its findings and recommendations under subsection (c), the Panel shall cease to exist.

TITLE V—AUTHORIZATIONS

SEC. 501. TRIBAL JUSTICE SYSTEMS.

(a) OFFICE.—There are authorized to be appropriated to carry out the provisions of sections 201, 202, and 301(a) of this Act, \$7,000,000

for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000. None of the funds provided pursuant to the authorizations under this subsection may be used for the administrative expenses of the Office.

(b) BASE SUPPORT FUNDING FOR TRIBAL JUSTICE SYSTEMS AND JUDICIAL CONFERENCES.—There are authorized to be appropriated to carry out the provisions of section 203 of this Act, \$50,000,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(c) ADMINISTRATIVE EXPENSES FOR OFFICE.—There are authorized to be appropriated, for the administrative expenses of the Office, \$500,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(d) ADMINISTRATIVE EXPENSES FOR TRIBAL JUDICIAL CONFERENCES.—There are authorized to be appropriated, for the administrative expenses of tribal judicial conferences, \$500,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(e) SURVEY.—For carrying out the survey under section 202, there is authorized to be appropriated, in addition to the amount authorized under subsection (a) of this section, \$400,000 for each of the fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000.

(f) AUTHORIZATION.—For carrying out the study under section 401, there is authorized to be appropriated such sums as may be necessary.

(g) NO OFFSET.—No Federal agency shall offset funds made available pursuant to this Act for tribal justice systems against funds otherwise available for use in connection with tribal justice systems.

(h) ALLOCATION OF FUNDS.—In allocating funds appropriated pursuant to the authorization contained in subsection (a) of this section among the Bureau, Office, tribal governments, and tribal judicial conferences, the Secretary shall take such action as may be necessary to ensure that such allocation is carried out in a manner that is fair and equitable, and is proportionate to base support funding under section 203 received by the Bureau, Office, tribal governments, and tribal government members comprising a judicial conference.

(i) INDIAN PRIORITY SYSTEM.—Funds appropriated pursuant to the authorizations provided by this section and available for a tribal justice system shall not be subject to the Indian priority system. Nothing in this Act shall preclude a tribal government from supplementing any funds received under this Act with funds received from any other source including the Bureau or any other Federal agency.

TITLE VI—DISCLAIMERS

SEC. 601. TRIBAL AUTHORITY.

Nothing in this Act shall be construed to—

(1) encroach upon or diminish in any way the inherent sovereign authority of each tribal government to determine the role of the tribal court within the tribal government or to enact and enforce tribal laws;

(2) diminish in any way the authority of tribal governments to appoint personnel;

(3) impair the rights of each tribal government to determine the nature of its own legal system or the apportionment of authority within the tribal government;

(4) alter in any way traditional dispute resolution forums;

(5) imply that any tribal court is an instrumentality of the United States; or

(6) diminish the trust responsibility of the United States to Indian tribal governments and tribal justice systems of such governments.

THE CALENDAR

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Nos. 134, 135, 136, 137, 138, 139, 140, 142, 143, en bloc; that the committee substitute amendments and committee amendments, where appropriate, be agreed to, en bloc; that the several bills each be deemed read the third time, passed; that the motion to reconsider the passage of these items be laid upon the table, en bloc; that the consideration of each bill be laid upon the table, en bloc; that the consideration of each bill be included separately in the RECORD, and that statements with respect to the passage of each bill be included in the RECORD where appropriate.

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

NORTH CHARLESTON LAND EXCHANGE

The Senate proceeded to consider the bill (S. 273) to remove certain restrictions from a parcel of land owned by the city of North Charleston, SC, in order to permit a land exchange, and for other purposes, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike out all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. REMOVAL OF DEED RESTRICTIONS.

(a) IN GENERAL.—Subject to the terms and conditions set forth in subsection (b), the Secretary of the Interior (hereinafter referred to as the "Secretary") shall execute such instruments as are necessary to remove the deed restrictions described in subsection (c), in order to allow the city of North Charleston, South Carolina (hereinafter referred to as the "city") to enter into a land exchange.

(b) TERMS AND CONDITIONS.—The Secretary shall remove the deed restrictions described in subsection (c) on the condition that—

(1) the city exchange the parcel of land described in subsection (d) for another parcel of land to be subject to the same restrictions, exceptions, reservations, conditions, and covenants described in subsection (c), and encumbered by a reversionary interest to be held by the United States to be exercised, at its option, should all or any portion of such parcel cease to be used for public park or recreational purposes;

(2) the city convey all mineral interests to the United States in the parcel received by the city pursuant to the land exchange referred to in paragraph (1); and

(3) the city received such sums as are necessary to equalize the values of the parcels exchanged: Provided, That any sums received by the city pursuant to this paragraph shall be used by the city only for public park or recreational purposes.

(c) DEED RESTRICTIONS.—The deed restrictions referred to in paragraphs (a) and (b) are those restrictions, exceptions, reservations, conditions, and covenants described in the Quitclaim Deed of the United States to the City of North Charleston, South Carolina, dated August 9, 1978 (Deed Books of Charleston County, South Carolina, on page 318 of book T116).

(d) LAND DESCRIPTION.—The parcel of land referred to in subsection (a) consists of approximately 21.6 acres in Charleston County, South

Carolina, as described on page 318 of book T116 of the Deed Books of Charleston County, South Carolina.

The amendment was agreed to.

The bill (S. 273) was deemed read the third time and passed, as follows:

S. 273

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

SECTION 1. REMOVAL OF DEED RESTRICTIONS.

(a) **IN GENERAL.**—Subject to the terms and conditions set forth in subsection (b), the Secretary of the Interior (hereinafter referred to as the "Secretary") shall execute such instruments as are necessary to remove the deed restrictions described in subsection (c), in order to allow the city of North Charleston, South Carolina (hereinafter referred to as the "city") to enter into a land exchange.

(b) **TERMS AND CONDITIONS.**—The Secretary shall remove the deed restrictions described in subsection (c) on the condition that—

(1) the city exchange the parcel of land described in subsection (d) for another parcel of land to be subject to the same restrictions, exceptions, reservations, conditions, and covenants described in subsection (c), and encumbered by a reversionary interest to be held by the United States to be exercised, at its option, should all or any portion of such parcel cease to be used for public park or recreational purposes;

(2) the city convey all mineral interests to the United States in the parcel received by the city pursuant to the land exchange referred to in paragraph (1); and

(3) the city receive such sums as are necessary to equalize the values of the parcels exchanged: *Provided*, That any sums received by the city pursuant to this paragraph shall be used by the city only for public park or recreation purposes.

(c) **DEED RESTRICTIONS.**—The deed restrictions referred to in paragraphs (a) and (b) are those restrictions, exceptions, reservations, conditions, and covenants described in the Quitclaim Deed of the United States to the City of North Charleston, South Carolina, dated August 9, 1978 (Deed Books of Charleston County, South Carolina, on page 318 of book T116).

(d) **LAND DESCRIPTION.**—The parcel of land referred to in subsection (a) consists of approximately 21.6 acres in Charleston County, South Carolina, as described on page 318 of book T116 of the Deed Books of Charleston County, South Carolina.

**COLONIAL NEW MEXICO
COMMEMORATIVE ACT**

The Senate proceeded to consider the bill (S. 294) to authorize the Secretary of the Interior to formulate a program for the research and preservation of various aspects of colonial New Mexico history, and for other purposes, which had been reported from the Committee on Energy and Natural Resources with amendments; as follows:

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

The amendment was agreed to.

The bill (S. 294) was deemed read a third time and passed, as follows:

S. 294

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 "Colonial New Mexico Commemorative Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) **FINDINGS.**—Congress finds that—

(1) in 1598, almost a decade before the first permanent English settlement was established at Jamestown, Spanish colonists entered New Mexico, beginning more than 2 centuries of colonization that would indelibly mark the character of the American Southwest;

(2) because of the flow of history, New Mexico has remained a unique area of the Spanish borderlands;

(3) as a result of its remoteness, New Mexico changed more slowly than other settlements and has retained many significant remnants of colonial customs, language, and attitudes; and

(4) the interaction of the American Indian and Hispanic colonial heritages resulted in customs, architecture, and many other manifestations that are unique to today's American culture.

(b) **PURPOSE.**—In order to enhance the preservation, interpretation, and public understanding of various aspects of colonial New Mexico, the purpose of this Act is to authorize the Secretary of the Interior to formulate a program for the research, interpretation, and preservation of various aspects of colonial New Mexico history.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) **COMMITTEE.**—The term "Committee" means the Colonial New Mexico Preservation Advisory Committee established by section 6.

(2) **PLAN.**—The term "plan" means the comprehensive management plan described in section 5.

(3) **SECRETARY.**—The term "Secretary" means the Secretary of the Interior.

SEC. 4. DUTIES OF SECRETARY.

(a) **PLAN.**—

(1) **PREPARATION.**—The Secretary shall prepare the comprehensive management plan in accordance with section 5.

(2) **IMPLEMENTATION.**—In close consultation with the Office of Cultural Affairs of the State of New Mexico and the Committee, the Secretary shall—

(A) coordinate the activities of Federal, State, and local governments, and private businesses and organizations, to carry out the plan and the purpose of this Act; and

(B) consistent with standards established by the Secretary for the preservation of historic properties and for educational programs, and consistent with the National Historic Preservation Act (16 U.S.C. 470 et seq.), prepare guidelines and standards for projects, as identified in the plan, that will further public understanding of colonial New Mexico history.

(b) **GRANTS.**—

(1) **IN GENERAL.**—From funds appropriated, donated, or otherwise made available to the Secretary, the Secretary shall award grants to tribal, governmental, and nongovernmental entities to conserve and protect structures, objects, and sites, and help support cultural events, that have outstanding significance in the commemoration of colonial New Mexico, except that the Federal share shall not exceed 50 percent of the cost of each project.

(2) **NON-FEDERAL SHARE.**—The non-Federal share may be in the form of cash or services, including donation of labor for project implementation.

(c) **SURVEYS AND ARCHAEOLOGICAL INVESTIGATIONS.**—The Secretary shall contract for

surveys and archaeological and historical investigations of sites relating to colonial New Mexico, including the preparation of reports and maps, and the curation of artifacts.

(d) **PUBLICATIONS.**—The Secretary shall publish study reports and educational materials.

(e) **NOMINATIONS TO NATIONAL REGISTER OF HISTORIC PLACES.**—The Secretary shall prepare thematic nominations to the National Register of Historic Places of colonial sites and resources in New Mexico.

(f) **STAFF OF OTHER AGENCIES.**—On a reimbursable basis, the Secretary may procure the services of personnel detailed from the State of New Mexico or other Federal agencies.

(g) **DONATIONS.**—The Secretary may seek and accept donations of funds or services from public and private entities to carry out this Act.

SEC. 5. COMPREHENSIVE MANAGEMENT PLAN.

(a) **IN GENERAL.**—Not later than [2] 3 years after funds are made available for purposes of this Act, the Secretary, in consultation with the Committee, the State of New Mexico, units of local government, and private groups, shall prepare a comprehensive management plan to provide direction for commemorative actions and projects.

(b) **CONTENTS.**—The plan shall—

(1) establish a process and procedures for undertaking research relating to colonial New Mexico and a program for regular publication of research materials and findings;

(2) develop a survey program to further evaluate known resources and identify sites and features that require additional study;

(3) identify a core system of interpretive sites and features that would provide a comprehensive overview of the colonial New Mexico story;

(4) prepare interpretive materials to address the colonial New Mexico story and identify locations where this material will be available to the public;

(5) evaluate and recommend high priority sites and resources that need protection and assistance;

(6) with the assistance of site owners, prepare options for the protection and management of high priority colonial New Mexico resources;

(7) evaluate and recommend highway routes, in existence on the date of the plan, that could be designated by the State of New Mexico as colonial New Mexico tour routes; and

(8) evaluate the feasibility of and need for developing commemorative centers in New Mexico in accordance with section 7(a).

SEC. 6. ESTABLISHMENT OF ADVISORY COMMITTEE.

(a) **IN GENERAL.**—There is established in the Department of the Interior the Colonial New Mexico Preservation Advisory Committee to advise the Secretary with respect to the administration of this Act.

(b) **MEMBERSHIP.**—

(1) **COMPOSITION.**—The Committee shall be composed of 15 members who have knowledge of New Mexico colonial history and culture and who shall be appointed by the Secretary, of whom—

(A) three members shall be appointed from recommendations submitted by the Governor of New Mexico, of whom one member shall represent the Office of Cultural Affairs of the State of New Mexico;

(B) one member shall be appointed from recommendations submitted by the All Indian Pueblo Council;

(C) one member—

(i) shall be from the general public; and

(ii) shall have knowledge of colonial history in New Mexico;

(D) four members—
(i) shall be appointed from recommendations submitted by local governments in New Mexico; and

(ii) shall represent Hispanic communities;

(E) one member shall be appointed from recommendations submitted by the President of the University of New Mexico;

(F) one member shall be appointed from recommendations submitted by the President of New Mexico State University;

(G) one member shall be appointed from recommendations jointly submitted by the Navajo and Apache tribal governments;

(H) one member shall have professional expertise in the colonial history of New Mexico;

(I) one member shall have professional expertise in architectural history; and

(J) one member shall be the Secretary or the Secretary's designee and shall serve in an ex-officio capacity.

(2) CHAIRPERSON.—

(A) IN GENERAL.—The Committee shall elect a chairperson from among its members.

(B) TERM.—The chairperson shall serve for a term of 2 years.

(3) VACANCIES.—A vacancy in the Committee shall be filled in the manner in which the original appointment was made.

(4) TERMS.—

(A) IN GENERAL.—Each member of the Committee shall be appointed for a term of 5 years.

(B) MEMBERS FILLING VACANCIES.—A member appointed to fill a vacancy shall serve for the remainder of the term for which the member's predecessor was appointed.

(C) EXTENDED SERVICE.—A member of the Committee may serve after the expiration of the member's term until a successor is appointed.

(5) COMPENSATION.—Members of the Committee shall serve without compensation.

(6) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(c) MEETINGS.—

(1) IN GENERAL.—The Committee shall meet at least twice annually or at the call of the chairperson or a majority of the members of the Committee.

(2) QUORUM.—A simple majority of members of the Committee shall constitute a quorum.

(d) HEARINGS.—To carry out this section, the Committee may hold public hearings, take testimony, and record the views of the public regarding the plan and implementation of the plan.

(e) TERMINATION.—The Committee shall terminate 10 years after completion of the appointment of the first group of members.

SEC. 7. COMMEMORATIVE CENTERS.

(a) IN GENERAL.—

(1) IN GENERAL.—The Secretary may develop commemorative centers, operate educational programs, provide technical assistance, conduct cultural events, and prepare media materials, except that the Federal share of a project shall not exceed 50 percent of the total cost of development.

(2) NON-FEDERAL SHARE.—The non-Federal share may be in the form of cash or services.

(b) ESPAÑOLA PLAZA CENTER.—

[(1) IN GENERAL.—In consultation with the Committee, the Secretary may pay to the

city of Española, New Mexico, the Federal share of planning, developing, and operating a commemorative center as an element of the Spanish Commemorative Plaza.]

(1) IN GENERAL.—The Secretary may, through a cooperative agreement, pay to the city of Española, New Mexico, the Federal share of planning and design of a cultural center as an element of Española Plaza.

(2) FEDERAL SHARE.—The Federal share may not exceed 50 percent of the total cost of the Española Plaza project.

(3) NON-FEDERAL SHARE.—The non-Federal share may be in the form of cash or services.

SEC. 8. GALISTEO BASIN STUDY.

In accordance with the National Park Service document entitled "Alternative Concepts for Commemorating Spanish Colonization" and dated February 1991, the Secretary shall undertake a special resource study of the major prehistoric and historic sites in the Galisteo Basin relating to colonial New Mexico. The study shall include evaluations of significance, site integrity, threats, and protection and management options.

SEC. 9. PUEBLO TRAIL.

(a) REDESIGNATION.—The Masau Trail, as designated by title II of Public Law 100-225 (16 U.S.C. 460uu-11 et seq.), is redesignated as the Pueblo Trail.

(b) LEGAL REFERENCES.—Any reference in any record, map, or other document of the United States to the Masau Trail is deemed to be a reference to the Pueblo Trail.

(c) CONFORMING AMENDMENTS.—

(1) The title heading of title II of Public Law 100-225 (16 U.S.C. 460uu-11 et seq.) is amended by striking "MASAU" and inserting "PUEBLO".

(2) Public Law 100-225 (16 U.S.C. 460uu et seq.) is amended by striking "Masau" each place it appears in sections 201, 204, and 510 and inserting "Pueblo".

SEC. 10. ANNUAL REPORTS.

(a) IN GENERAL.—The Secretary shall submit an annual report to Congress that lists with respect to this Act—

(1) actions taken by the Secretary;

(2) entities to which any grants were made during the fiscal year and any recipients of technical assistance; and

(3) actions taken to protect and interpret significant sites, structures, and objects relating to colonial New Mexico.

(b) COST ESTIMATES.—The report shall include detailed cost estimates of projects that are proposed to be funded under this Act during the next fiscal year.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department of the Interior \$5,000,000 to carry out this Act, to remain available until expended.

CHACOAN OUTLIERS PROTECTION ACT OF 1993

The Senate proceeded to consider the bill (S. 310) to amend title V of Public Law 96-550, designating the Chaco Culture Archeological Protection Sites, and for other purposes, which had been reported from the Committee on Energy and Natural Resources; with an amendment to strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Chacoan Outliers Protection Act of 1993".

SEC. 2. CONFORMING AMENDMENT.

(a) Section 501 of Public Law 96-550 (16 U.S.C. 410ii) is amended in the title by striking "Con-

gressional findings" and inserting in lieu thereof "Congressional findings and purpose".

(b) Section 501(b) of Public Law 96-550 (16 U.S.C. 410ii(b)) is amended by striking "San Juan Basin;" and inserting in lieu thereof, "San Juan Basin and surrounding areas;"

SEC. 3. ADDITIONS TO CHACO ARCHEOLOGICAL PROTECTION SITES.

Subsection 502(b) of Public Law 96-550 (16 U.S.C. 410ii-1(b)) is amended to read as follows:

"(b)(1) Thirty-nine outlying sites as generally depicted on a map entitled "Chaco Culture Archeological Protection Sites", numbered 310/80,033-B and dated September 1991, are hereby designated as 'Chaco Culture Archeological Protection Sites'. The thirty-nine archeological protection sites totaling approximately 14,372 acres identified as follows:

Name:	Acres
Allentown	380
Andrews Ranch	950
Bee Burrow	480
Bisa'ani	131
Casa del Rio	40
Casamero	160
Chimney Rock	3,160
Coolidge	450
Dalton Pass	135
Dittert	480
Great Bend	26
Greenlee Ruin	60
Grey Hill Spring	23
Guadalupe	115
Halfway House	40
Haystack	565
Hogback	453
Indian Creek	100
Jacques	66
Kin Nizhoni	726
Lake Valley	30
Manuelito-Atsee Nitsaa	60
Manuelito-Kin Hochoi	116
Muddy Water	1,090
Navajo Springs	260
Newcomb	50
Peach Springs	1,046
Pierre's Site	440
Raton Well	23
Salmon Ruin	5
San Mateo	61
Sanostee	1,565
Section 8	10
Skunk Springs/Crumpled House	533
Standing Rock	348
Toh-la-kai	10
Twin Angeles	40
Upper Kin Klizhin	60.

"(2) The map referred to in paragraph (1) shall be kept on file and available for public inspection in the appropriate offices of the National Park Service, the office of the State Director of the Bureau of Land Management located in Santa Fe, New Mexico, the office of the Area Director of the Bureau of Indian Affairs located in Window Rock, Arizona, and the offices of the Arizona and New Mexico State Historic Preservation Officers."

SEC. 4. ASSISTANCE TO THE NAVAJO NATION.

Section 506 of Public Law 96-550 (16 U.S.C. 410ii-5) is amended by adding the following new subsection at the end thereof:

"(f) The Secretary is authorized to assist the Navajo Nation in the protection and management of those Chaco Culture Archeological Protection Sites located on lands under the jurisdiction of the Navajo Nation through a grant, contract, or cooperative agreement entered into pursuant to the Indian Self-Determination and Education Act (Public law 93-638), as amended, to assist the Navajo Nation in site planning, resource protection, interpretation, resource management actions, and such other purposes as may be identified in such grant, contract, or cooperative agreement."

The amendment was agreed to.
The bill (S. 310) was deemed read the third time and passed, as follows:
S. 310

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 "Chacoan Outliers Protection Act of 1993".

SEC. 2. CONFORMING AMENDMENT.

(a) Section 501 of Public Law 96-550 (16 U.S.C. 410ii) is amended in the title by striking "Congressional findings" and inserting in lieu thereof "Congressional findings and purpose".

(b) Section 501(b) of Public Law 96-550 (16 U.S.C. 410ii(b)) is amended by striking "San Juan Basin;" and inserting in lieu thereof, "San Juan Basin and surrounding areas;"

SEC. 3. ADDITIONS TO CHACO ARCHEOLOGICAL PROTECTION SITES.

Subsection 502(b) of Public Law 96-550 (16 U.S.C. 410ii-1(b)) is amended to read as follows:

"(b)(1) Thirty-nine outlying sites as generally depicted on a map entitled "Chaco Culture Archeological Protection Sites", numbered 310/80,033-B and dated September 1991, are hereby designated as 'Chaco Culture Archeological Protection Sites'. The thirty-nine archeological protection sites totaling approximately 14,372 acres identified as follows:

Name:	Acres
Allentown	380
Andrews Ranch	950
Bee Burrow	480
Bisa'ani	131
Casa del Rio	40
Casamero	160
Chimney Rock	3,160
Coolidge	450
Dalton Pass	135
Dittert	480
Great Bend	26
Greenlee Ruin	60
Grey Hill Spring	23
Guadalupe	115
Halfway House	40
Haystack	565
Hogback	453
Indian Creek	100
Jacques	66
Kin Nizhoni	728
Lake Valley	30
Manuelito-Atsee Nitsaa	60
Manuelito-Kin Hochoi	116
Muddy Water	1,090
Navajo Springs	260
Newcomb	50
Peach Springs	1,046
Pierre's Site	440
Raton Well	23
Salmon Ruin	5
San Mateo	61
Sanostee	1,565
Section 8	10
Skunk Springs/Crumbled House	533
Standing Rock	348
Toh-la-kai	10
Twin Angeles	40
Upper Kin Klizhin	60.

"(2) The map referred to in paragraph (1) shall be kept on file and available for public inspection in the appropriate offices of the National Park Service, the office of the State Director of the Bureau of Land Management located in Santa Fe, New Mexico, the office of the Area Director of the Bureau of Indian Affairs located in Window Rock, Arizona, and the offices of the Arizona and

New Mexico State Historic Preservation Officers."

SEC. 4. ASSISTANCE TO THE NAVAJO NATION.

Section 506 of Public Law 96-550 (16 U.S.C. 410ii-5) is amended by adding the following new subsection at the end thereof:

"(f) The Secretary is authorized to assist the Navajo Nation in the protection and management of those Chaco Culture Archeological Protection Sites located on lands under the jurisdiction of the Navajo Nation through a grant, contract, or cooperative agreement entered into pursuant to the Indian Self-Determination and Education Act (Public Law 93-638), as amended, to assist the Navajo Nation in site planning, resource protection, interpretation, resource management actions, and such other purposes as may be identified in such grant, contract, or cooperative agreement."

NA HOA PILI KALOKO-HONOKOHAU RE-ESTABLISHMENT ACT OF 1993

The Senate proceeded to consider the bill (S. 742) to amend the National Parks and Recreation Act of 1978 to establish the Friends of Kaloko-Honokohau, an advisory commission for the Kaloko-Honokohau National Historical Park, and for other purposes, which had been reported from the Committee on Energy and Natural resources with an amendment to strike out all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Na Hoa Pili Kaloko-Honokohau Re-establishment Act of 1993".

SEC. 2. RE-ESTABLISHMENT OF ADVISORY COMMISSION.

(a) Notwithstanding section 505(f)(7) of Public Law 95-625 (16 U.S.C. 396d(7)), the Na Hoa Pili O Kaloko-Honokohau, the Advisory Commission for Kaloko-Honokohau National Historical Park, is hereby re-established in accordance with section 505(f), as amended by subsection (b) of this section.

(b) Section 505(f)(7) of Public Law 95-625 (16 U.S.C. 396d(7)), is amended by striking "this Act" and inserting in lieu thereof, "the Na Hoa Pili Kaloko-Honokohau Re-establishment Act of 1993".

The amendment was agreed to.
The bill (S. 742) was deemed read the third time and passed as follows:

S. 742

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 "Na Hoa Pili Kaloko-Honokohau Re-establishment Act of 1993".

SEC. 2. RE-ESTABLISHMENT OF ADVISORY COMMISSION.

(a) Notwithstanding section 505(f)(7) of Public Law 95-625 (16 U.S.C. 396d(7)), the Na Hoa Pili O Kaloko-Honokohau, the Advisory Commission for Kaloko-Honokohau National Historical Park, is hereby re-established in accordance with section 505(f), as amended by subsection (b) of this section.

(b) Section 505(f)(7) of Public Law 95-625 (16 U.S.C. 396d(7)), is amended by striking "this Act" and inserting in lieu thereof, "the Na Hoa Pili Kaloko-Honokohau Re-establishment Act of 1993".

EL CAMINO REAL DE TIERRA ADENTRO STUDY ACT OF 1993

The Senate proceeded to consider the bill (S. 836) to amend the National Trails System Act to provide for a study of El Camino Real de Tierra Adentro (The Royal Road of the Interior Lands), and for other purposes, which had been reported from the Committee on Energy and Natural Resources with amendments; as follows:

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

S. 836

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "El Camino Real de Tierra Adentro Study Act of 1993".

SEC. 2. FINDINGS.

Congress finds that—
(1) El Camino Real de Tierra Adentro was the primary route for nearly 300 years that was used by clergy, colonists, soldiers, Indians, officials, and trade caravans between Mexico and New Mexico;

(2) from the Spanish colonial period (1598-1821), through the Mexican national period (1821-1848), and through part of the United States Territorial period (1840-1912), El Camino Real de Tierra Adentro extended 1,800 miles from Mexico City through Chihuahua City, El Paso del Norte, and on to Santa Fe in northern New Mexico;

(3) the road was the first to be developed by Europeans in what is now the United States and for a time was one of the longest roads in North America; and

(4) El Camino Real de Tierra Adentro, until the arrival of the railroad in the 1880's, witnessed and stimulated great multi-cultural exchanges and the evolution of nations, peoples, and cultures.

SEC. 3. DESIGNATION OF TRAIL.

Section 5(c) of the National Trails System Act (16 U.S.C. 1244(c)) is amended by adding at the end the following new paragraph:

"(36)(A) El Camino Real de Tierra Adentro, the approximately 1,800 mile route extending from Mexico City, Mexico, across the international border at El Paso, Texas, to Santa Fe, New Mexico.

"(B) The study shall—
"(i) examine changing routes within the general corridor;

"(ii) examine major connecting branch routes; and

"(iii) give due consideration to alternative name designations.

"(C) The study shall be done in cooperation with the Government of Mexico and shall provide for, as necessary, technical assistance to Mexico with the possible objective of establishing an international historic trail."

"(C) The Secretary of the Interior is authorized to work in cooperation with the Government of Mexico (including, but not limited to providing technical assistance) to determine the suitability and feasibility of establishing an international historic route along the El Camino Real de Tierra Adentro."

The amendments were agreed to.
The bill (S. 836) was deemed read the third time and passed as follows:

S. 836

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 "El Camino Real de Tierra Adentro Study Act of 1993".

SEC. 2. FINDINGS.

Congress finds that—

(1) El Camino Real de Tierra Adentro was the primary route for nearly 300 years that was used by clergy, colonists, soldiers, Indians, officials, and trade caravans between Mexico and New Mexico;

(2) from the Spanish colonial period (1598–1821), through the Mexican national period (1821–1848), and through part of the United States Territorial period (1840–1912), El Camino Real de Tierra extended 1,800 miles from Mexico City through Chihuahua City, El Paso del Norte, and on to Santa Fe in northern New Mexico;

(3) the road was the first to be developed by Europeans in what is now the United States and for a time was one of the longest roads in North America; and

(4) El Camino Real de Tierra Adentro, until the arrival of the railroad in the 1880's, witnessed and stimulated great multi-cultural exchanges and the evolution of nations, peoples, and cultures.

SEC. 3. DESIGNATION OF TRAIL.

Section 5(c) of the National Trails System Act (16 U.S.C. 1244(c)) is amended by adding at the end the following new paragraph:

"(36)(A) El Camino Real de Tierra Adentro, the approximately 1,800 mile route extending from Mexico City, Mexico, across the international border at El Paso, Texas, to Santa Fe, New Mexico.

"(B) The study shall—

"(i) examine changing routes within the general corridor;

"(ii) examine major connecting branch routes; and

"(iii) give due consideration to alternative name designations.

"(C) The Secretary of the Interior is authorized to work in cooperation with the Government of Mexico (including, but not limited to providing technical assistance) to determine the suitability and feasibility of establishing an international historic route along the El Camino Real de Tierra Adentro."

CARL GARNER FEDERAL LANDS CLEANUP DAY

The bill (S. 851) to establish the Carl Garner Federal Lands Cleanup Day, and for other purposes was considered, deemed read the third time and passed; as follows:

S. 851

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

SECTION 1. THE CARL GARNER FEDERAL LANDS CLEANUP ACT.

The Federal Lands Cleanup Act of 1985 (36 U.S.C. 1691–1691–1) is amended by striking "Federal Lands Cleanup Day" each place it appears and inserting "Carl Garner Federal Lands Cleanup Day".

EL CAMINO REAL PARA LOS TEXAS STUDY ACT OF 1993

The bill (S. 983) to amend the National Trails System Act to direct the Secretary of the Interior to study the El Camino Real Para Los Texas for potential addition to the National Trails System, and for other purposes was

considered, deemed read the third time and passed; as follows:

S. 983

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 "El Camino Real Para Los Texas Study Act of 1993".

SEC. 2. FINDINGS.

The Congress finds—

(1) El Camino Real Para Los Texas was the Spanish road established to connect a series of missions and posts extending from Monclova, Mexico to the mission and later Presidio Nuestra de Pilar de los Adaes which served as the Spanish capital of the province of Texas from 1722 to 1772;

(2) El Camino Real, over time, comprised an approximately 1,000-mile corridor of changing routes from Saltillo through Monclova and Guerrero, Mexico; San Antonio and Nacogdoches, Texas and then easterly to the vicinity of Los Adaes in present day Louisiana; and constituted the only major overland route from the Rio Grande to the Red River Valley during the Spanish Colonial Period;

(3) the seventeenth, eighteenth, and early nineteenth century rivalries among the European colonial powers of Spain, France, and England and after their independence, Mexico and the United States, for dominion over lands fronting the Gulf of Mexico were played out along the evolving travel routes across this immense area; and, as well, the future of several American Indian nations were tied to these larger forces and events;

(4) El Camino Real and the subsequent San Antonio Road witnessed a competition that helped determine the United States southern and western boundaries; and

(5) the San Antonio Road, like El Camino Real, was a series of routes established over the same corridor but was not necessarily the same as El Camino Real; and that from the 1830's, waves of American immigrants, many using the Natchez Trace, travelled west to Texas via the San Antonio Road, as did Native Americans attempting to relocate away from the pressures of European settlement.

SEC. 3. STUDY OF TRAIL.

Section 5(c) of the National Trail System Act (16 U.S.C. 1244(c)) is amended by adding the following new paragraph at the end thereof:

"(36)(A) El Camino Real Para Los Texas, the approximate series of routes from Saltillo, Monclova, and Guerrero, Mexico across Texas through San Antonio and Nacogdoches, to the vicinity of Los Adaes, Louisiana, together with the evolving routes later known as the San Antonio Road.

"(B) The study shall—

"(i) examine the changing roads within the historic corridor;

"(ii) examine the major connecting branch routes;

"(iii) determine the individual or combined suitability and feasibility of routes for potential national historic trail designation;

"(iv) consider the preservation heritage plan developed by the Texas Department of Transportation entitled 'A Texas Legacy: The Old San Antonio Road and the Caminos Reales', dated January, 1991; and

"(v) make recommendations concerning the suitability and feasibility of establishing an international historical park where the trail crosses the United States-Mexico border at Maverick County, Texas, and Guerrero, Mexico.

"(C) The Secretary of the Interior is authorized to work in cooperation with the government of Mexico (including, but not limited to providing technical assistance) to determine the suitability and feasibility of establishing an international historic trail along the El Camino Real Para Los Texas.

"(D) The study shall be undertaken in consultation with the Louisiana Department of Transportation and Development and the Texas Department of Transportation.

"(E) The study shall consider alternative name designations for the trail.

"(F) The study shall be completed no later than two years after the date funds are made available for the study."

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

HOT SPRINGS NATIONAL PARKS BOUNDARY MODIFICATION

The bill (H.R. 1347) to modify the boundary of Hot Springs National Park was considered, deemed read the third time, and passed.

H.R. 1347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the boundary of Hot Springs National Park is modified as depicted on the map entitled "Proposed Boundary Map", numbered 128/80015, and dated August 5, 1985.

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK DEVELOPMENT ACT

The bill (H.R. 1944) to provide for additional development at War in the Pacific National Historical Park, and for other purposes, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike out all after the enacting clause and inserting in lieu thereof the following:

So the bill (H.R. 1944) was considered, read the third time, and passed.

SECTION 1. FINDINGS.

Congress finds that—

(1) June 15 through August 10, 1994, marks the 50th anniversary of the Mariana campaign of World War II in which United States forces captured the Japanese islands of Saipan and Tinian and liberated the United States Territory of Guam from Japan;

(2) an attack during this campaign by the Japanese combined fleet, aimed at annihilating the United States forces that had landed on Saipan, led to the battle of the Philippine Sea, which resulted in a crushing defeat for the Japanese by United States naval forces and the destruction of the effectiveness of the Japanese carrier-based airpower;

(3) the recapture of Guam liberated one of the few pieces of United States territory that was occupied by the enemy during World War II and restored United States Government to more than 20,000 native Guamanians;

(4) units of the United States Army, Navy, Marine Corps, and Coast Guard fought with great bravery and sacrifice, suffering casualties of approximately 5,700 killed and missing and 21,900 wounded in action;

(5) United States forces succeeded in destroying all Japanese garrisons in Saipan, Tinian,

and Guam, which resulted in Japanese military casualties of 54,000 dead and 21,900 taken prisoner;

(6) Guamanians, notably members of the Navy Insular Force Guard and volunteer militia, bravely resisted the invasion and occupation of their island, and ultimately assisted in the expulsion of Japanese forces from Guam;

(7) at the hands of the Japanese, the people of Guam—

(A) were forcibly removed from their homes;

(B) were relocated to remote sections of the island;

(C) were required to perform forced labor and faced other harsh treatment, injustices, and death; and

(D) were eventually placed in concentration camps and subjected to retribution when the liberation of their island became apparent to the Japanese;

(8) the seizure of the Mariana Islands severed Japanese lines of communication between Japan proper and those remaining Japanese bases and forces in the Central Pacific south of the Mariana Islands and in the South Pacific as well;

(9) the Mariana Islands provided large island areas on which advance bases could be constructed to support further operations against Japanese possessions and conquered territories such as Iwo Jima and Okinawa, the Philippines, Taiwan, and the south China coast, and ultimately against the Japanese home islands;

(10) the Mariana Islands provided, for the first time during the war, island air bases from which United States land-based airpower could reach Japan itself; and

(11) the air offensive staged from the Mariana Islands against Japanese cities and economic infrastructure helped shorten the war and vitiate the need for the invasion and capture of the Japanese home islands.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) an appropriate commemoration of the 50th anniversary of the Mariana campaign should be planned; and

(2) the Secretary of the Interior should take all necessary steps to ensure that two visitors centers to provide appropriate facilities for the interpretation of the events described in section 1 are completed, one at the War in the Pacific National Historical Park and one at the American Memorial Park, before June 15, 1994, the beginning of the 50th anniversary of the campaign.

SEC. 3. WAR IN THE PACIFIC NATIONAL HISTORICAL PARK.

Section 6(k) of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", approved August 18, 1978 (92 Stat. 493; 16 U.S.C. 410 dd(k)), is amended by striking "\$500,000" and inserting in lieu thereof "\$8,000,000".

SEC. 4. AMERICAN MEMORIAL PARK.

Section 5(g) of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", approved August 18, 1978 (92 Stat. 492), is amended by striking "\$3,000,000" and inserting in lieu thereof "\$8,000,000".

ARKANSAS BEACH DESIGNATION

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 141 (S.J. Res. 78), a resolution designating a beach in Unalaska, AK, as "Arkansas Beach"; that the joint resolution be deemed read the third time, passed; that preamble be agreed to; that the motion to recon-

sider be laid upon the table, and any statements relative to the passage of this item appear at the appropriate place in the RECORD.

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

So the joint resolution (S.J. Res. 78) was deemed read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 78

Whereas it is commonly overlooked that the Aleutian Islands are the only part of American territory in history to be invaded and overtaken by an enemy;

Whereas, during World War II, an Arkansas National Guard Regiment, the 206th Coast Artillery, served diligently and bravely on Hog Island, Unalaska;

Whereas the 206th Coast Artillery Regiment of Arkansas was guarding Dutch Harbor during the time of the Japanese attack;

Whereas, during the Japanese invasion of Dutch Harbor, three young soldiers of the 206th Coast Artillery Unit were killed;

Whereas the city of Unalaska, Alaska has passed Res. 92-28, 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, Unalaska as "Arkansas Beach"; and

Whereas the State of Alaska has passed Sen. Con. Res. 37, as sent to the State Geographic Board, which names this beach "Arkansas Beach": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the beach at 53 degrees 53'51"W to 53 degrees 53'48"N, 166 degrees 34'21"W on Hog Island, Unalaska be named "Arkansas Beach" in commemoration of the 206th Coast Artillery Regiment and the men who served and died during the air attacks on Dutch Harbor, Unalaska on June 3 and 4, 1942.

AUTHORIZING THE TRANSFER OF NAVAL VESSELS

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 149 (H.R. 2561), a bill to authorize the transfer of naval vessels to certain foreign countries; that the bill be deemed read the third time, passed, and the motion to reconsider be laid upon the table; that any statements relative to this measure appear in the RECORD at the appropriate place.

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

So the bill (H.R. 2561) was deemed read the third time, and passed.

MESSAGE FROM THE HOUSE

At 3:52 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that in place of conferees made on July 14, 1993, and July 15, 1993, that the following Members be the managers of the conference on the part of the House in the conference on the disagreeing votes of the two Houses on

the amendment of the Senate to the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget:

From the Committee on the Budget, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Mr. SABO, Mr. GEPHARDT, and Mr. KASICH.

As additional conferees from the Committee on the Budget, for consideration of title I and section 9005 (a)-(c) and (f) of the House bill, and title I and sections 5001, 5002 (a), (b), and (d), and 5003 of the Senate amendment, and modifications committed to conference: Mr. STENHOLM, Mr. POMEROY, Mr. KILDEE, Mr. SMITH of Texas, and Mr. ALLARD.

As additional conferees from the Committee on the Budget, for consideration of title II and section 12009 of the House bill, and title II and section 13003 of the Senate amendment, and modifications committed to conference: Ms. SLAUGHTER, Mr. MOLLOHAN, Mr. GORDON, Mr. SHAYS, and Ms. SNOWE.

As additional conferees from the Committee on the Budget, for consideration of title III of the House bill, and title III—except section 3003(b)—of the Senate amendment, and modifications committed to conference: Mr. FRANK of Massachusetts, Mr. BLACKWELL, Ms. WOOLSEY, Mr. LAZIO, and Mr. HOKE.

As additional conferees from the Committee on the Budget, for consideration of title IV and sections 5117, 13233, 13263, 13270, 13420, and 14402(d) of the House bill, and sections 7904, 12001-50, 12061, 12071, 12101, and 12301-02 of the Senate amendment, and modifications committed to conference: Mr. KILDEE, Mr. PRICE of North Carolina, Mrs. KENNELLY, Mr. MILLER of Florida, and Mr. SMITH of Michigan.

As additional conferees from the Committee on the Budget, for consideration of sections 5000-187, 13234, 13242, 13264, 13400-571, and 14411 of the House bill, and sections 7000-501, 7601(c), 7801, 7802 (b) and (c), 7904, 7951, 12101-02, and 12321 of the Senate amendment, and modifications committed to conference: Mr. BEILSON, Ms. SLAUGHTER, Mr. JOHNSTON of Florida, Mr. McMILLAN, and Mr. HOBSON.

As additional conferees from the Committee on the Budget, for consideration of sections 5200-44, 5301, and 9006-07 of the House bill, and sections 4001-11 and 6001 of the Senate amendment, and modifications committed to conference: Mr. BRYANT, Mr. COYNE, Mr. COSTELLO, Mr. McMILLAN, and Mr. HOBSON.

As additional conferees from the Committee on the Budget, for consideration of title VII and that portion of section 4002 which adds a new section 455(j) to the Higher Education Act, section 4025(7) and that portion of section 5203 which adds a new section 309(j)(8) to the Communications Act of 1934, and section 5187(b) of the House bill, and

title XI, sections 4008(c), that portion of section 12011 which adds a new section 455(j) to the Higher Education Act, 12045(7), 12047(a), and 12105 of the Senate amendment, and modifications committed to conference: Mr. ANDREWS of Texas, Mr. MOLLOHAN, Ms. WOOLSEY, Mr. SMITH of Texas, and Mr. INGLIS of South Carolina.

As additional conferees from the Committee on the Budget, for consideration of title VIII and section 9004 House bill, and section 4051 of the Senate amendment, and modifications committed to conference: Mrs. KENNELLY, Mr. COSTELLO, Mrs. MINK, Ms. SNOWE, and Mr. FRANKS of New Jersey.

As additional conferees from the Committee on the Budget, for consideration of title IX and sections 1402, 5301, and 11002 House bill, and titles V and VI and section 1503 of the Senate amendment, and modifications committed to conference: Mr. BRYANT, Mrs. MINK, Mr. BLACKWELL, Mr. KOLBE, and Mr. ALLARD.

As additional conferees from the Committee on the Budget, for consideration of titles VI and X and sections 13702 and 13704 House bill, and titles IX and X and sections 12103-04 of the Senate amendment, and modifications committed to conference: Mr. BERMAN, Mr. ANDREWS of Texas, Mr. GORDON, Mr. KOLBE, and Mr. MILLER of Florida: *Provided*, That for consideration of title VI and sections 10001 and 10002 of the House bill, and title IX of the Senate amendment, Mr. POMEROY is appointed in lieu of Mr. BERMAN; and Mr. COX and Mr. SMITH of Michigan are appointed in lieu of Mr. KOLBE and Mr. MILLER of Florida.

As additional conferees from the Committee on the Budget, for consideration of title XI and sections 8002 and 9005(a) of the House bill, and sections 5002(a) and 6002 of the Senate amendment, and modifications committed to conference: Mr. WISE, Mr. COSTELLO, Mr. BERMAN, Mr. LAZIO, and Mr. FRANKS of New Jersey.

As additional conferees from the Committee on the Budget, for consideration of title XII of the House bill, and title XIII—except section 13008(b)—and section 7901 (b) and (c) of the Senate amendment, and modifications committed to conference: Mr. PRICE of North Carolina, Mr. COYNE, Mr. JOHNSTON of Florida, Mr. HERGER, and Mr. INGLIS of South Carolina.

As additional conferees from the Committee on the Budget, for consideration of sections 4032, 4033(3), 8002, 9004, 11001, 12004(b), 13001-20, 13201-84, 13601-02, and 13604-705 of the House bill, and sections 1106, 1403, 1504, 3003(b), 7433, 7601-03, 7701-02, 7901 (a) and (c), 7902-03, 7950-54, that portion of section 12011 which adds a new section 457 to the Higher Education Act, 12055, 12203(d), 12025, 13008(b), 15001, and 15002 of the Senate amendment, and modifications committed to conference: Mr. COYNE, Mr. BEILENSEN, and Mr. HERGER: *Provided*, That Mr. Bunning is appointed in

lieu of Mr. Kasich for the provisions specified for this panel, except for sections 13001-20 of the House bill where Mr. KASICH will be the conferee.

As additional conferees from the Committee on the Budget, for consideration of titles XV and XVI, sections 1405(c), those portions of section 4002 which add new sections 453(a)(3) and 456(a)(2) to the Higher Education Act, those portions of section 5181 which add new sections 2158(b)(3)(B) and 2161(b) to the Public Health Service Act, 9008, and 13560 of the House bill, and title XIV, the portion of section 1201 which adds a new section 305(c)(4) to the Rural Electrification Act, those portions of section 12011 which add new sections 453(a)(4) and 456(a)(2) to the Higher Education Act of the Senate amendment, and modifications committed to conference: Mr. STENHOLM, Mr. WISE, Mr. FRANK of Massachusetts, Mr. SHAYS, and Mr. COX.

As additional conferees from the Committee on Agriculture, for consideration of title I and section 9005(a)-(c) and (f) of the House bill, and title I and sections 5001, 5002 (a), (b) and (d), and 5003 of the Senate amendment, and modifications committed to conference: Mr. DE LA GARZA, Mr. ROSE, Mr. GLICKMAN, Mr. VOLKMER, Mr. PENNY, Mr. ROBERTS, Mr. EMERSON, and Mr. GUNDERSON.

As additional conferees from the Committee on Armed Services, for consideration of title II and section 12009 of the House bill, and title II and section 13003 of the Senate amendment, and modifications committed to conference: Mr. DELLUMS, Mr. MONTGOMERY, Mrs. SCHROEDER, Mr. HUTTO, Mr. SKELTON, Mr. SPENCE, Mr. STUMP, and Mr. KYL: *Provided*, That for consideration of section 12009 of the House bill, and section 13003 of the Senate amendment, Mr. MCCURDY is appointed in lieu of Mr. MONTGOMERY, and Mr. HUNTER is appointed in lieu of Mr. STUMP.

As additional conferees from the Committee on Banking, Finance, and Urban Affairs, for consideration of title III of the House bill, and title III—except section 3003(b)—of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Mr. NEAL of North Carolina, Mr. LAFALCE, Mr. VENTO, Mr. SCHUMER, Mr. LEACH, Mr. MCCOLLUM, and Mrs. ROUKEMA.

As additional conferees from the Committee on Education and Labor, for consideration of title IV and sections 5117, 13233, 13263-64, 13270, 13420, and 14402(d) of the House bill, and sections 7904, 12001-50, 12061, 12071, 12101, and 12301-02 of the Senate amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. CLAY, Mr. MILLER of California, Mr. MURPHY, Mr. WILLIAMS, Mr. GOODLING, Mr. PETRI, and Mrs. ROUKEMA.

As additional conferees from the Committee on Energy and Commerce, for consideration [communications] of sections 5200-44 of the House bill, and

sections 4001-11 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. MARKEY, Mr. TAUZIN, Mr. MANTON, Ms. SCHENK, Mr. MOORHEAD, Mr. FIELDS of Texas, and Mr. OXLEY.

As additional conferees from the Committee on Energy and Commerce, for consideration [health] of sections 5000-5091, 5100-87, 13010 (a) and (c), 13413, (e), 13234, 13242, 13264, and 13431-13571, and 14411 of the House bill, and sections 1105(b), 7000, 7201-7501, 7601(c), 7801, 7802 (b) and (c), 7904, 7951, 12101-12205, and 12321 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. WAXMAN, Mr. WYDEN, Mr. TOWNS, Mr. SLATTERY, Mr. MOORHEAD, Mr. BLILEY, and Mr. BILIRAKIS.

As additional conferees from the Committee on Energy and Commerce, for consideration of—energy—section 5301 and 9006-07 of the House bill, and section 6001 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SHARP, Mr. WASHINGTON, Mr. KREIDLER, Mr. SWIFT, Mr. MOORHEAD, Mr. BILIRAKIS, and Mr. BARTON of Texas.

As additional conferees from the Committee on Foreign Affairs, for consideration of title VI and sections 10001 and 10002 of the House bill, and title IX of the Senate amendment, and modifications committed to conference: Mr. HAMILTON, Mr. BERMAN, Mr. FALEOMAVAEGA, Mr. MARTINEZ, Mr. ANDREWS of New Jersey, Mr. GILMAN, Ms. SNOWE, and Mr. HYDE.

As additional conferees from the Committee on Government Operations, for consideration of section 1405(c) of the House bill, and that portion of section 1201 which adds a new section 305(c)(4) to the Rural Electrification Act, of the Senate amendment, and modifications committed to conference: Mr. CONYERS, Mr. ENGLISH of Oklahoma, Mr. PETERSON of Minnesota, Mr. BARRETT of Wisconsin, Mr. WASHINGTON, Mr. CLINGER, Mr. MCCANDLESS, and Mr. HASTERT.

As additional conferees from the Committee on Government Operations, for consideration of those portions of section 4002 which add new sections 453(a)(3) and 456(a)(2) to the Higher Education Act, 4029 and 13560 of the House bill, and those portions of section 12011 which add new sections 453(a)(4) and 456(a)(2) of the Higher Education Act, of the Senate amendment, and modifications committed to conference: Mr. CONYERS, Mrs. COLLINS of Illinois, Mr. TOWNS, Mr. WAXMAN, Mr. SPRATT, Mr. CLINGER, Mr. MCCANDLESS, and Mr. HASTERT.

As additional conferees from the Committee on Government Operations, for consideration of those portions of section 5181 which add new sections 2158(b)(3)(B) and 2161(b) to the Public

Health Service Act of the House bill, and modifications committed to conference: Mr. CONYERS, Mr. SPRATT, Mr. TOWNS, Mr. SYNAR, Mr. PAYNE of New Jersey, Mr. CLINGER, Mr. MCCANDLESS, and Mr. HASTERT.

As additional conferees from the Committee on Government Operations, for consideration of section 9008 of the House bill, and modifications committed to conference: Mr. CONYERS, Mrs. COLLINS of Illinois, Mr. SPRATT, Mr. SYNAR, Mr. WASHINGTON, Mr. CLINGER, Mr. MCCANDLESS, and Mr. HASTERT.

As additional conferees from the Committee on Government Operations, for consideration of title XVI and sections 15001-111, 15206, and 15301 of the House bill, and title XIV of the Senate amendment, and modifications committed to conference: Mr. CONYERS, Mr. SPRATT, Mr. WAXMAN, Mrs. COLLINS of Illinois, Mr. SYNAR, Mr. CLINGER, Mr. MCCANDLESS, and Mr. HASTERT.

As additional conferees from the Committee on the Judiciary, for consideration of title VII of the House bill, and title XI and section 12047(a) of the Senate amendment, and modifications committed to conference: Mr. BROOKS, Mr. HUGHES, Mr. EDWARDS of California, Mr. CONYERS, Mr. SYNAR, Mr. MOORHEAD, Mr. COBLE, and Mr. FISH.

As additional conferees from the Committee on the Judiciary, for consideration of that portion of section 4002 which adds a new section 455(j) to the Higher Education Act, section 4025(7) and that portion of section 5203 which adds a new section 309(j)(8) to the Communications Act of 1934, of the House bill, and section 4008(c), that portion of section 12011 which adds a new section 455(j) to the Higher Education Act, 12045(7), of the Senate amendment, and modifications committed to conference: Mr. BROOKS, Mr. CONYERS, Mr. SYNAR, Mrs. SCHROEDER, Mr. BERMAN, Mr. FISH, Mr. GALLEGLY, and Mr. MOORHEAD.

As additional conferees from the Committee on the Judiciary, for consideration of section 5187(b) of the House bill, and section 12105 of the Senate amendment, and modifications committed to conference: Mr. BROOKS, Mr. BRYANT, Mr. GLICKMAN, Mr. FRANK of Massachusetts, Mr. BERMAN, Mr. GEKAS, Mr. RAMSTAD, and Mr. FISH.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of title VIII and section 9004 of the House bill, and section 4051 of the Senate amendment, and modifications committed to conference: Mr. STUDDS, Mr. TAUZIN, Mr. LIPINSKI, Mr. ORTIZ, Mr. MANTON, Mr. FIELDS of Texas, and Mr. BATEMAN: *Provided*, That for consideration of title VIII of the House bill, and section 4051 of the Senate amendment, Mr. INHOFE is appointed; for consideration of section 9004 of the House bill, Mr. SAXTON is appointed.

As additional conferees from the Committee on Natural Resources, for

consideration of title IX and sections 1402, 5301, 11002 of the House bill, and titles V and VI and section 1503 of the Senate amendment, and modifications committed to conference: Mr. MILLER of California, Mr. VENTO; Mr. DE LUGO, Mr. LEHMAN, Mr. RICHARDSON, Mr. YOUNG of Alaska, Mr. THOMAS of Wyoming, and Mrs. VUCANOVICH.

As additional conferees from the Committee on Post Office and Civil Service, for consideration of title X and sections 13702 and 13704 of the House bill, and titles IX and X and sections 12103-04 of the Senate amendment, and modifications committed to conference: Mr. CLAY, Mrs. SCHROEDER, Mr. MCCLOSKEY, Ms. NORTON, Miss COLLINS of Michigan, Mr. MYERS of Indiana, Mr. BURTON of Indiana, and Mrs. MORELLA.

As additional conferees from the Committee on Public Works and Transportation, for consideration of title XI and sections 8002, 9005(a) of the House bill, and sections 5002(a) and 6002 of the Senate amendment, and modifications committed to conference: Mr. MINETA, Mr. OBERSTAR, Mr. APPLGATE, Mr. RAHALL, Mr. BORSKI, Mr. SHUSTER, Mr. CLINGER, and Mr. BOEHLERT.

As additional conferees from the Committee on Rules, for consideration of title XVI and sections 13560, 13605, 15201-15212, of the House bill, and title XIV of the Senate amendment, and modifications committed to conference: Mr. MOAKLEY, Mr. DERRICK, Mr. BEILENSEN, Mr. FROST, Mr. BONIOR, Mr. SOLOMON, Mr. QUILLEN, and Mr. GOSS.

As additional conferees from the Committee on Veterans' Affairs, for consideration of title XII of the House bill, and title XIII—except section 13008(b)—and section 7901 (b) and (c) of the Senate amendment, and modifications committed to conference: Mr. MONTGOMERY, Mr. EVANS, Mr. ROWLAND, Mr. SLATTERY, Mr. SANGMEISTER, Mr. STUMP, Mr. SMITH of New Jersey, and Mr. BURTON of Indiana.

As additional conferees from the Committee on Ways and Means, for consideration of title XIV—except sections 14402(d) and 14411—and section 13603 of the House bill, and title VIII of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. ARCHER, and Mr. CRANE.

As additional conferees from the Committee on Ways and Means, for consideration of sections 13001-20 of the House bill, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. JACOBS, Mr. ARCHER, and Mr. BUNNING.

As additional conferees from the Committee on Ways and Means, for consideration of sections 13201-84 of the House bill, and sections 7601-03 and 7802 of the Senate amendment, and modifications committed to conference: Mr.

ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. FORD of Tennessee, Mr. ARCHER, and Mr. SANTORUM.

As additional conferees from the Committee on Ways and Means, for consideration of title XVI of the House bill, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. STARK, and Mr. THOMAS of California.

As additional conferees from the Committee on Ways and Means, for consideration of sections 4032, 4033(3), 5000-91, 5117, those portions of section 5181 which add new sections 2161 and 2173(b) to the Public Health Service Act, 5181(b), 8002, 9004, 11001, 12004(b), 13400-571, 14402(d), 14411, and 15301 of the House bill, and sections 1106, 1403, 1504, 3003(b), 7000-305, 7433, 7701-02, 7901(a) and (c), 7902-04, 7950-54, that portion of section 12011 which adds a new section 457 to the Higher Education Act, 12055, 12101-02, that portion of section 12202 which adds a new section 2148(b) to the Public Health Service Act, 12203(d), 12025, 13008(b), 15001, and 15002 of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. ARCHER, Mr. CRANE, and Mr. THOMAS of California.

At 6:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2239. An Act to authorize appropriations for the Securities and Exchange Commission, and for other purposes.

H.R. 2519. An Act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1994, and for other purposes.

MEASURES REFERRED

The following measures were read the first and second times by unanimous consent and referred as indicated:

H.R. 2239. An act to authorize appropriations for the Securities and Exchange Commission, and for other purposes; to the Committee on the Banking, Housing and Urban Affairs.

H.R. 2519. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1994, and for other purposes; to the Committee on Appropriations.

EXECUTIVE REPORT OF COMMITTEES

The following executive report of a committee was submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

Robert Riggs Nordhaus, of the District of Columbia, to be General Counsel of the Department of Energy.

(The above nomination was reported with the recommendation that he be

confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1176. A communication from the Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the annual reports for fiscal years 1991 and 1992; to the Committee on Governmental Affairs.

EC-1177. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the report relative to the Government in the Sunshine Act for calendar year 1992; to the Committee on Governmental Affairs.

EC-1178. A communication from the Head (Personnel Benefits Section), Bureau of Naval Personnel, Department of the Navy, transmitting, pursuant to law, the annual report for calendar year 1991; to the Committee on Governmental Affairs.

EC-1179. A communication from the Acting Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1180. A communication from the President of the National Endowment for Democracy, transmitting, pursuant to law, a report entitled "Promoting Democracy: National Endowment for Democracy Efforts to Improve Grant Management"; to the Committee on Governmental Affairs.

EC-1181. A communication from the Chairman of the Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, the annual financial report for fiscal year 1992; to the Committee on Governmental Affairs.

EC-1182. A communication from the Chairman and General Counsel of the National Labor Relations Board, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-1183. A communication from the General Counsel of the Administrative Conference of the United States, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1184. A communication from the Chairman of the Administrative Conference of the United States, transmitting, pursuant to law, the annual report under the Equal Access to Justice Act; to the Committee on the Judiciary.

EC-1185. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report on the premerger notification program and merger enforcement activities during fiscal year 1988; to the Committee on the Judiciary.

EC-1186. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report on the premerger notification program and

merger enforcement activities during fiscal year 1989; to the Committee on the Judiciary.

EC-1187. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report on the premerger notification program and merger enforcement activities during fiscal year 1990; to the Committee on the Judiciary.

EC-1188. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report on the premerger notification program and merger enforcement activities during fiscal year 1991; to the Committee on the Judiciary.

EC-1189. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, additional material for the report on the premerger notification program and merger enforcement activities during fiscal year 1991; to the Committee on the Judiciary.

EC-1190. A communication from the Director of the Federal Bureau of Prisons, Department of Justice, transmitting, pursuant to law, the annual report under the Crime Control Act of 1990; to the Committee on the Judiciary.

EC-1191. A communication from the Director of the Federal Bureau of Prisons, Department of Justice, transmitting, pursuant to law, a report entitled "Federal Prison Industries: A Self-Sufficient Correctional Program"; to the Committee on the Judiciary.

EC-1192. A communication from the Assistant Attorney General (Office of Legislative Affairs), Department of Justice, transmitting, pursuant to law, the annual report on the Office of Justice programs for fiscal year 1992; to the Committee on the Judiciary.

EC-1193. A communication from the Assistant Attorney General (Office of Legislative Affairs), Department of Justice, transmitting, pursuant to law, a report entitled "Searching for Answers—Annual Evaluation Report on Drugs and Crime: 1992"; to the Committee on the Judiciary.

EC-1194. A communication from the Secretary of Commerce, transmitting, a draft of proposed legislation entitled "Patent and Trademark Office Authorization Act of 1993"; to the Committee on the Judiciary.

EC-1195. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on a process patented in the United States; to the Committee on the Judiciary.

EC-1196. A communication from the President of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1197. A communication from the Acting Assistant Secretary and Acting Commissioner of Patents and Trademarks (Patent and Trademark Office), Department of Commerce, transmitting, pursuant to law, a report on the patent technology sets CD-ROM Demonstration Program; to the Committee on the Judiciary.

EC-1198. A communication from the Acting Chief Financial Officer and Assistant Secretary for Administration, Department of Commerce, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1199. A communication from the Director of Operations and Finance of the American Battle Monuments Commission, transmitting, pursuant to law, the annual report

under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1200. A communication from the Chairman of the Consumer Product Safety Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1201. A communication from the Acting Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1202. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1203. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1204. A communication from the Acting Director of the Peace Corps, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1205. A communication from the Assistant Vice President (Government and Public Affairs), National Railroad Passenger Corporation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1206. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1207. A communication from the Director (Office of Legislative and Public Affairs), National Science Foundation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1208. A communication from the Executive Secretary of the National Security Council, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1209. A communication from the President of the National Endowment for Democracy, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1210. A communication from the Acting Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1211. A communication from the Acting Assistant Administrator (Legislative Affairs), Agency for International Development, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1212. A communication from the Acting Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1213. A communication from the Chairman of the Farm Credit Administration, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1214. A communication from the Director (Communications and Legislative Affairs), Equal Employment Opportunity Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1215. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1216. A communication from the Acting Chairman of the Commodity Futures Trading Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1217. A communication from the Acting Senior Deputy Chairman of the National Endowment for the Arts, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1218. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1219. A communication from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1220. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1221. A communication from the Chairman of the Occupational Safety and Health Review Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1222. A communication from the Office of the Commissioner of the International Boundary and Water Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1223. A communication from the President of the Inter-American Foundation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1224. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1225. A communication from the Acting Director of the Office of Personnel Management, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1226. A communication from the Acting Administrator of the Small Business Administration, transmitting, pursuant to law, the

annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1227. A communication from the Board Members of the Railroad Retirement Board, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1228. A communication from the Chief Executive Officer, U.S. Postal Service, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1229. A communication from the Chief Administrative Officer, Postal Rate Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1230. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1231. A communication from the Director of the Office of Science and Technology Policy, Executive Office of the President, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1991; to the Committee on the Judiciary.

EC-1232. A communication from the Director of the Office of Science and Technology Policy, Executive Office of the President, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1233. A communication from the Director of the Office of Government Ethics, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-1234. A communication from the President of the Foundation of the Federal Bar Association, transmitting, pursuant to law, the report of the audit for fiscal year 1992; to the Committee on the Judiciary.

EC-1235. A communication from the Attorney for the National Council of Radiation Protection and Measurements, transmitting, pursuant to law, the report of the audit for calendar year 1992; to the Committee on the Judiciary.

EC-1236. A communication from the Counsel for the National Tropical Botanical Garden, transmitting, pursuant to law, the report of the audit for calendar year 1992; to the Committee on the Judiciary.

EC-1237. A communication from the Acting Attorney General, transmitting, pursuant to law, the annual report under the Foreign Intelligence Surveillance Act of 1978 for calendar year 1992; to the Committee on the Judiciary.

EC-1238. A communication from the Director of the Federal Judicial Center, transmitting, pursuant to law, the annual report for calendar year 1992; to the Committee on the Judiciary.

EC-1239. A communication from the Chairman of the Federal Labor Relations Authority, transmitting, pursuant to law, the report of public information requests for calendar year 1992; to the Committee on the Judiciary.

EC-1240. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on refugee resettlement in the United States

for the period October 1, 1991 through September 30, 1992; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services, without amendment:

H.R. 2561. A bill to authorize the transfer of naval vessels to certain foreign countries.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BROWN:

S. 1270. A bill to establish the Cache La Poudre River National Water Heritage Area in the State of Colorado; to the Committee on Energy and Natural Resources.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1271. A bill to amend the United States Housing Act of 1937 and the Housing Act of 1959 to exclude from consideration as income rebates granted under New Jersey law for the payment of State property taxes on homesteads; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COCHRAN:

S. 1272. A bill to amend section 507(a)(3) of title 11, United States Code, to give priority to certain claims of persons that are independent sales representatives; to the Committee on the Judiciary.

By Mr. BOND (for himself, Mr. D'AMATO, Mr. DOLE, Mr. GRASSLEY, Mr. SIMON, Mr. DURENBERGER, and Mr. HARKIN):

S. 1273. A bill to enhance the availability of credit in disaster areas by reducing the regulatory burden imposed upon insured depository institutions to the extent such action is consistent with the safety and soundness of the institutions; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BUMPERS (for himself, Mr. WOFFORD, and Mr. KOHL):

S. 1274. A bill to authorize funding for certain Small Business Administration programs, and for other purposes; to the Committee on Small Business.

By Mr. RIEGLE (for himself, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mrs. BOXER, Mr. CAMPBELL, Ms. MOSELEY-BRAUN, and Mr. BRADLEY):

S. 1275. A bill to facilitate the establishment of community development financial institutions; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1271. A bill to amend the United States Housing Act of 1937 and the Housing Act of 1959 to exclude from consideration as income rebates granted under New Jersey law for the payment of State property taxes on homesteads; to the Committee on Banking, Housing, and Urban Affairs.

HOMESTEAD REBATE EXEMPTION ACT OF 1993

Mr. LAUTENBERG. Mr. President, I rise to introduce legislation on behalf

of myself and Senator BRADLEY to exempt New Jersey's homestead rebates from HUD's rental assistance determinations. This legislation will provide important relief to elderly and disabled, low-income citizens who participate in HUD assisted housing programs. This legislation is a companion to legislation that Congressman PAYNE has introduced in the House of Representatives.

In 1976, New Jersey enacted the Homestead Rebate Program as a means of compensating homeowners and tenants for the State's high rates of property tax. The program provides an income tax rebate to homeowners and tenants, based on income and property taxes paid.

For elderly, 65 and older, and disabled families, the maximum annual rebate is \$500 per family. The minimum annual rebate is \$65. In 1992, 74 percent of elderly families got the maximum \$500. The maximum annual rebate is \$30 for nonelderly renters.

HUD regulations provide that the level of rental assistance set through public housing programs be calculated based on recipient incomes. But I believe that the homestead rebate should not be counted as part of income for these purposes. Such rebates cannot be counted upon as a recurring source of income because traditionally New Jersey's Homestead Rebate Program has been subject to the variability of New Jersey's annual budget process. For example, recently funding for the program dropped from \$695 to \$315 million per year. The rebate is more like a one-time gift, which is not counted as income under HUD's rules. The status of the Homestead Rebate Program has been uncertain and tenants cannot be assured that their rebate will come for the next year.

Thousands of New Jersey's elderly and disabled individuals stand to lose HUD subsidies, for which they otherwise might be eligible, because of HUD's current regulations. That is money they could be spending on food, clothing, and other necessities.

HUD regulations provide that the level of rent owed by tenants in certain federally assisted housing programs is calculated based on their income. Typically, tenants must pay rent equal to no more than 30 percent of their income. This legislation exempts the New Jersey homestead rebate that low-income residents receive from HUD's calculation of income for purposes of determining rental assistance levels. For example, if an individual's income goes up by \$500 in a year because of the rebate, HUD takes away \$167 of the \$500 by lowering the individual's rent subsidy.

When New Jersey tenants and homeowners pay local property taxes, either directly or through rent, it is unlikely that they expected to see the Federal Government take these funds away. It

is unfair for New Jersey taxpayers to pay high property taxes only to have these moneys transferred to the Federal Government. This is one of those Federal regulations that just doesn't make sense.

This issue needs an immediate solution, and I urge my colleagues to act swiftly to pass this bill. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1271

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 "Homestead Rebate Exemption Act of 1993".

SEC. 2. EXCLUSION OF PROPERTY TAX REBATES FROM INCOME.

(a) AMENDMENT TO THE UNITED STATES HOUSING ACT OF 1937.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended—

(1) in subparagraph (F), by striking "and" at the end;

(2) in subparagraph (G), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(H) any amounts received after January 1, 1993, by the family in the form of a rebate for property taxes paid on a homestead or paid through rent on a homestead under the New Jersey 'Homestead Property Tax Rebate Act of 1990' (N.J.S.A., c. 54:4—8.57 to 54:4—8.66), or any successor provision."

(b) AMENDMENT TO THE HOUSING ACT OF 1959.—Section 202(c)(3) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(3)) is amended by adding at the end the following: "The term 'monthly income' does not include any amounts received after January 1, 1993, by the person in the form of a rebate for property taxes paid on a homestead or paid through rent on a homestead under the New Jersey 'Homestead Property Tax Rebate Act of 1990' (N.J.S.A., c. 54:4—8.57 to 54:4—8.66), or any successor provision."

Mr. BRADLEY. Mr. President, I rise today as a cosponsor of the Homestead Rebate Exemption Act of 1993. This bill will exempt New Jersey's homestead rebates from being considered as income under HUD's assisted housing programs.

In an effort to alleviate the economic hardship caused by escalating property taxes, the State of New Jersey passed legislation to return excess property tax payments to homeowners, renters, senior citizens, disabled, and others who live in assisted housing.

Under existing HUD regulations, rental payment refunds are treated as income in the calculation of whether low-income residents should be eligible for rental subsidies. When HUD treats this rebate as income, the tenant's level of rental assistance is decreased.

It is unfair for the residents who need the funds most to be given a rebate by the State and then have the Federal Government take the money away. Most residents living in assisted hous-

ing struggle each day to make ends meet. It is not right that they should have to choose between buying food and medicine or paying their rent. This legislation will put fairness back into this process.

HUD regulations treat this rebate as a recurring source of income. But this program is usually the subject of much debate in the annual State budget process and cannot be considered a stable source of funding. Given the precarious nature of this program, I do not think that this money can be considered a recurring source of funds.

Mr. President, this legislation brings a needed degree of certainty to an area where uncertainty exists now. I urge my colleagues to support this small piece of legislation that will go a long way in easing the burden of residents in assisted housing.

By Mr. COCHRAN:

S. 1272. A bill to amend section 507(a)(3) of title 11, United States Code, to give priority to certain claims of persons that are independent sales representatives; to the Committee on the Judiciary.

BANKRUPTCY CODE AMENDMENT ACT OF 1993

● Mr. COCHRAN. Mr. President, today, I am introducing legislation to amend the section of the Bankruptcy Code defining priorities of claims against a bankruptcy estate. The Independent Sales Representatives Bankruptcy Reform Act of 1993, if enacted, will allow independent sales agents to enjoy the same classification in the bankruptcy estate as employees.

Under current law, independent sales representatives, including individuals, corporations, partnerships, and sole proprietorships who are not otherwise classified as employees under section 507 of the Bankruptcy Code, do not share in the bankruptcy estate as employees. This is very unfair because many persons in the United States make their living as independent contractors—particularly sales agents.

Every year, thousands of sales agents lose money owed to them because they do not fit into the priority classification definition of employee. The unfairness of this situation is amplified because independent contractors work without the security of many employee benefits such as health insurance, profit sharing plans, life insurance policies, and many others that are often available to employees but not to independent sales representatives.

I do not think that when the Bankruptcy Code was enacted, Congress could have intended this unfair result.

Mr. President, the immediate effect of this amendment will be to allow independent sales representatives to claim an equitable share of the bankruptcy estate and receive payment of their just claims and commissions in the same manner as regular employees do now.

This bill will not cost the taxpayers any money. But, it will establish a more just and fair priority for independent sales representatives who are very important participants in our economic system. A companion bill, H.R. 2091, has been introduced in the other body by Congressman DUNCAN of Tennessee.

I urge Senators to support this bill. ●

By Mr. BOND (for himself, Mr. D'AMATO, Mr. DOLE, Mr. GRASSLEY, Mr. SIMON, Mr. DURENBERGER, and Mr. HARKIN):

S. 1273. A bill to enhance the availability of credit in disaster areas by reducing the regulatory burden imposed upon insured depository institutions to the extent such action is consistent with the safety and soundness of the institutions; to the Committee on Banking, Housing, and Urban Affairs.

THE DISASTER CREDIT RELIEF ACT OF 1993

● Mr. BOND. Mr. President, almost every major river and tributary in the Midwest is flooding. This is a regional disaster of monumental proportions. It's not a 100-year flood, it's a 500-year flood. Places that have never flooded before are flooding now and even in high areas, saturated ground is causing houses to slide from their foundations. Thousands of families have fled, acres of farmland are under water, and the rivers continue to rise.

Although it was predicted to crest on Sunday at over 46 feet, last night the Mississippi River was at 47.1 feet, that is 17 feet above flood stage. And there is a possibility that it will go even higher. The continued rainfall just prolongs the drop in the water level.

The Midwest is suffering greatly as a result of the flood. In touring Missouri, I was overwhelmed by the devastation. Thousands of homes have been damaged, towns have been destroyed, and acres of farmland have been rendered useless. At this date, it is very difficult to estimate the damage to Missouri, let alone all of the other States also affected by the flood. However, it is clear that it will be enormously expensive to rebuild and recover from this event.

Today, along with my original co-sponsors, Mr. DOLE, Mr. GRASSLEY, Mr. SIMON, Mr. DURENBERGER, and Mr. HARKIN, I rise to introduce the Disaster Credit Relief Act of 1993. This bill will help provide credit to individuals and small businesses damaged by the flooding in the Midwest by giving the Federal bank regulatory agencies the discretion to waive regulations that might inhibit lending in disaster areas. The waivers must be to enhance credit availability and be consistent with the financial safety and soundness of the institution.

For example, the Federal banking agencies might temporarily waive regulations to make it easier to extend existing credit lines, to simplify how loans are written up, to speed access to

funds, and to cut down on loan documentation and paperwork.

The bill would require the financial institution to be located within a disaster area or have a significant portion of its service area located in a disaster area. A disaster area is defined as an area determined by the President, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, to be the site of a major disaster. The bill would also include any area which is adjacent to a disaster area that has suffered damage. This was added in order to include areas that are not damaged severely enough to be declared disaster areas themselves, but which still have suffered damage, including economic losses.

People all across the Midwest are pulling together to fight for their homes, lands, and communities. We are thankful for the outpouring of help from our neighbors and the quick action by Federal officials, but, unfortunately, the \$2.98 billion that the President has pledged will not be enough. In fact, I would not be surprised if Missouri's losses alone came to that amount.

Similar legislation was enacted after last year's Hurricane Andrew, but it was specific to that disaster only. We need to provide assistance now while the flooding is ongoing; we need to help people get or extend credit. We also must be prepared to provide quick and useful assistance when it is time to rebuild.

In addition, I intend to offer this bill in the form of an amendment to the new disaster supplemental appropriations bill. I urge my colleagues to give their full support for this measure.

I ask that the full text of my statement be printed in the RECORD, along with the full text of the bill.

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

S. 1273

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 "Disaster Credit Relief Act of 1993".

SEC. 2. EMERGENCY WAIVERS OF BURDENSOME REGULATORY REQUIREMENTS FOR DISASTER AREAS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 44. EMERGENCY WAIVERS FOR DISASTER AREAS.

"(a) IN GENERAL.—Each Federal banking agency may, by regulation or order, waive the applicability of any provision of law or regulation to any insured depository institution which is located within, or a significant portion of the service area of which is located within, a disaster area if—

"(1) the waiver takes effect before the end of the 30-month period beginning on the date on which the President determines, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, that a major disaster exists in the area; and

"(2) the agency determines that the waiver—

"(A) would enhance the institution's ability to make additional credit available in the disaster area; and

"(B) is consistent with the safety and soundness of the institution.

"(b) 3-YEAR LIMIT ON WAIVERS.—Any waiver granted under this section shall expire not later than 3 years after the date of the determination referred to in subsection (a)(1).

"(c) PUBLICATION REQUIRED.—After granting any waiver under subsection (a), an appropriate Federal banking agency shall publish in the Federal Register a statement which—

"(1) describes the waiver; and

"(2) explains how the waiver—

"(A) will enhance the availability of additional credit in the disaster area; and

"(B) is consistent with safety and soundness of any insured depository institution which is subject to the waiver.

"(d) DISASTER AREA DEFINED.—For purposes of this section, the term 'disaster area' means—

"(1) an area in which the President has determined pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, that a major disaster exists; and

"(2) any area which—

"(A) is adjacent to an area described in paragraph (1); and

"(B) has suffered damage (including economic losses) as a result of the same set of circumstances giving rise to the determination referred to in paragraph (1) with respect to the area described in such paragraph." ●

By Mr. BUMPERS (for himself, Mr. WOFFORD, and Mr. KOHL):

S. 1274. A bill to authorize funding for certain Small Business Administration programs, and for other purposes; to the Committee on Small Business.

SMALL BUSINESS CREDIT REFORM ACT OF 1993

● Mr. BUMPERS. Mr. President, today I am introducing for myself, Senator WOFFORD and Senator KOHL the Small Business Credit and Recovery Act of 1993. This bill may be the most important single thing which Congress can pass this year to ensure the availability of adequate small business lending in the coming years. It will do so by placing the Small Business Administration's section 7(a) loan guaranty program—which has lately become as well known as it is meritorious—on a sounder financing footing for years to come. This bill will do something which politicians talk about incessantly, but which almost never is accomplished. The bill will enable the Government to truly serve more people by spending less money.

The now infamous credit crunch for small business, which has also inspired a lot of sympathetic rhetoric from Members of Congress, is a continuing and real daily crisis facing thousands of business owners. Lack of business lending threatens the ability of even the healthiest businesses to meet payrolls and purchase inventories. Heretofore, such businesses had no trouble getting a bank loan. The situation facing a young and aspiring business

owner with no track record is one of virtual impossibility.

No Member of this body today is unaware of the credit crunch, and I know for a certainty that the issue is well known to the President and others in the administration. President Clinton announced in March a sweeping package of banking regulatory reforms aimed at increasing small business lending. Unhappily, those reforms are yet to take hold, or perhaps have not filtered down to the level of the loan officer and the bank examiner.

For more than 2 years, the credit crunch has forced unprecedented numbers of businessowners to turn to the Small Business Administration's section 7(a) loan program for capital. This program allows SBA to guarantee between 80 and 90 percent of a small business borrower's loan, so that the bank is partially protected in the event of default. The program enables banks to make much longer term loans and larger loans, with more manageable payment periods, than the bank could make otherwise. The section 7(a) program is a proven job creator and a bargain for the Government, as was confirmed in an excellent recent study of the program by Price Waterhouse.

Just a few weeks ago, Congress approved and the President shortly thereafter signed a \$175 million supplemental appropriation for SBA business lending. This appropriation is sufficient to support about \$3.2 billion in loan guarantees. The 1993 supplemental was in some ways a rerun of 1992, but with two significant exceptions. This year, SBA had actually run out of money and closed down the 7(a) program at the end of April, leaving businesses with loan applications in process literally stranded for 2 months.

As everyone knows, the Appropriations Committee has been working in recent years under a cap on domestic spending, and we can only expect that situation to continue for as long as these enormous deficits which President Clinton inherited continue to threaten our economic future. So, we must find creative ways to reduce the costs of essential programs like 7(a) if more people are to be served. We have to do more with less—a statement which is frequently made around here, and which I usually assume is a ruse for someone who wants to dodge the bullet. But if this bill is enacted, the SBA will actually be able to do more with less. Mr. President, let me assure the Senate that the Committee on Small Business has no intention of dodging our responsibilities, however difficult they may be. The bill I am introducing today is the largest reform in the history of the SBA 7(a) program. It will significantly reduce the costs of an already efficient program and thereby allow the same appropriated dollars to fund more than twice as many loans. And it will do so without undermining

the purposes of the 7(a) program and without placing an undue burden on any borrower or lender.

Miraculous as that may sound, this bill actually reduces the program's costs below the ambitious targets set in the President's fiscal year 1994 budget proposal. Moreover, it does so in ways that in my judgment are more prudent and less onerous for all concerned.

As I alluded to earlier, there has been a virtual run on the SBA section 7(a) program since late in 1991. For 2 years running, Congress has provided supplemental appropriations which almost doubled the regular appropriated level. In 1992, Congress and President Bush agreed to emergency funding to keep the 7(a) program in operation, while this Congress and this President put the program back in business without deficit financing because we were fortunate to find offsetting cuts in other Federal programs. Finding those offsets, let me tell you, is no easy task, nor is it one which we can rely on in the future.

The reality is that thousands of people who are the primary engine of our economy need help, and there is very little money in the \$1.8 trillion Federal budget to help them. Personally, I can find several dozen marginal or useless programs which could be sacrificed or reduced to keep a truly meritorious program like this in operation, and I intend to let my colleagues vote on some of those options during the coming appropriations process.

It bears noting that under current law the 7(a) program will require a subsidy of only 4.92 percent, and perhaps a little less, in 1994. So, each Federal dollar leverages \$20 from banks and other lenders who would otherwise not provide loans to small business. At the very least, they would not provide these loans on the same terms and amounts as under the SBA's partial loan guaranty. This program is a bargain in the Federal Government, even without the changes I am proposing, and it is a proven and efficient job creator.

However, we must cut the cost of the 7(a) program if more people are to be served by whatever resources are provided by the Appropriations Committee.

As my colleagues know, the actual loan program levels for the 7(a) program are based on the amounts appropriated for loan guaranty subsidy, divided by the so-called subsidy cost of the loan as determined by the Office of Management and Budget. This subsidy formula, which differs for each program, is complex and takes into account such factors as defaults, ultimate losses, any buy-down of the interest rate, and other factors. To say that the formula is arcane is an understatement, but the subsidy rate is the key to loan programs under the Credit Re-

form Act which was enacted as part of the 1990 budget agreement.

OMB estimates that the subsidy rate for the 7(a) program for fiscal year 1994 will be 4.92 percent under current law, which is slightly less than the 1993 rate due to an improvement in recoveries on defaulted loans. The subsidy rate will be changed to reflect changes in law enacted by Congress which have the effect of increasing or decreasing a loan program's cost. A 4.92 percent subsidy means that Congress must appropriate roughly \$50 million—actually \$49.2 million—in order to fund \$1 billion in SBA loan guarantees. In other words, the private sector puts up roughly \$20 for each Federal dollar.

The 7(a) program has grown from about \$3.5 billion in 1991 to \$6.8 billion under the 1993 supplemental. The Clinton administration, unlike its recent predecessors, recognize the importance of small business loans to economic growth and has proposed several measures to bring down the subsidy rate. While some of those proposals may have merit, the steps which I am laying out today will, in my judgment, be more effective in reducing costs while at the same time not undermining the program's purposes or effectiveness.

Mr. President, let me emphasize that the reforms in this bill bear no resemblance to budget measures proposed by Presidents Reagan and Bush, which were aimed at reducing demand for SBA loans. For years, the Reagan administration did its best to kill SBA. They hated the loan programs above all else because they believed that people who did not have money did not deserve money.

I always hasten to add that the Reagan administration probably would have succeeded in killing SBA had it not been for the courage and tenacity of the Small Business Committee's former chairman and colleague, Lowell Weicker, who is now the distinguished Governor of Connecticut.

When President Reagan and David Stockman failed to kill SBA, they and their successors proposed each year to make the programs so unattractive or unworkable that no sensible person would participate. For the 7(a) program, the last two administrations proposed raising the up-front guaranty fee charged to SBA borrowers from 2 to 5 percent—in percentage terms, an increase in costs for small business borrowers of 150 percent. Obviously, no one in his right mind would pay this kind of fee, and that was exactly the purpose. Needless to say, these draconian proposals were not adopted by the Congress. The bill I am proposing today contains no increase in the upfront fee paid by borrowers.

Today's bill is no free lunch, but it is a fair deal. While the Reagan and Bush budgets placed all of the burden on the small business borrower, this bill gets its savings from lenders while, at the

same time, leaving the program sufficiently attractive and profitable that banks will still consider it a good deal.

The administration budget would have reduced the subsidy cost for the 7(a) program from 4.92 to 2.37 percent. Frankly, I thought that target was overly ambitious. To my pleasant surprise, the steps I am urging will reduce the cost to 2.21 percent, according to estimates by the Small Business Committee staff made in cooperation with SBA staff. This will result in a 1994 program level of slightly over \$7 billion under the appropriation figure being considered in the Senate, which is equal to the President's request, but lower than the House number.

This bill makes four important substantive changes in the program. It will:

First, establish a centralized, unified payment processing system for all 7(a) borrowers and lenders. In return for this new system, a 0.25 percent fee will be imposed on the declining principal balance of monthly loan payments. This new system can be established at little or no cost to the Government, using the present fiscal and transfer agent for the section 504 development company loans and for the secondary market in 7(a) loans as a model. This servicing fee will reduce the subsidy cost of the program by 110 basis points. This provision is in lieu of the administration proposal to impose a 50 basis point fee on the declining balance of loans sold in the secondary market. Concern was expressed that the administration proposal would unfairly discriminate against lenders which sell their loans. The proposal I am advancing would treat all loans alike with a smaller fee.

Second, decrease the percentage of SBA's guaranty on loans made under the Preferred Lender Program from the current 80 percent to 75 percent. This change will restore the PLP program to its original practice by repealing an increase in PLP guarantees which was made a few years ago. This change will save 17 basis points.

Third, impose an excess premium guaranty fee equal to one-half of any premium realized by the seller of a loan over 110 percent for loans sold in the secondary market. Some guaranteed loans are being sold in the secondary market for what could be construed as excessive prices based on the Government's guaranty. This change in law will save 73 basis points from the baseline cost.

Fourth, leave the current percentage of guaranty at 90 percent for loans under \$155,000, but reduce it from 85 percent to 75 percent on loans greater than \$155,000, which have maturities of longer than 10 years. This change seems preferable, in my view, to the administration's proposal to reduce the percentage of guaranty on all real estate loans, including small loans, to 70

percent, and it will produce savings of 71 basis points.

Additionally, the bill will increase the authorization for the SBA 504 program in fiscal year 1993 to \$900 million, \$1.2 billion in fiscal year 1994, \$1.3 billion in fiscal year 1995, and \$1.4 billion in fiscal year 1996. This remarkable program, which makes long-term, fixed-rate financing available to borrowers for capital expansion and equipment, has a subsidy cost of only one-half of one percent. The increase in loans this year can be paid for by reprogramming a modest amount of unused funds from other programs within SBA. Authorization for 7(a) loans will also be increased from \$6.2 billion in fiscal year 1993 to \$7.5 billion, and in 1994 from \$7.2 billion to \$8 billion.

The Small Business Committee plans to hold a hearing on this bill in the near future and to mark it up as soon as possible. I encourage my colleagues to join as cosponsors of this important legislation.

The bill also contains several technical changes in loan programs which will improve efficiency but do not have budgetary consequences. I will address these provisions in detail when the bill is reported by the Small Business Committee and considered for passage.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD following my statement and the bill be appropriately referred.

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

S. 1274

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 "Small Business Credit Reform Act of 1993".

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

- Sec. 1. Short title; table of contents.
- Sec. 2. General authorizations.
- Sec. 3. Microloan program authorizations.
- Sec. 4. Extension of State limitation on interest rates.
- Sec. 5. Guaranteed business loan program amendments.
- Sec. 6. Interest rate for Preferred Lenders Program.
- Sec. 7. Microloan program amendments.
- Sec. 8. Regulations.
- Sec. 9. White House Conference on Small Business.

SEC. 2. GENERAL AUTHORIZATIONS.

(a) **FINANCINGS FOR FISCAL YEAR 1993.**—Section 20(g)(2) of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) by striking "\$7,030,000,000" and inserting "\$8,455,000,000";

(2) in subparagraph (A), by striking "\$6,200,000,000" and inserting "\$7,500,000,000"; and

(3) in subparagraph (C), by striking "\$775,000,000" and inserting "\$900,000,000".

(b) **FINANCINGS FOR FISCAL YEAR 1994.**—Section 20(i)(2) of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) by striking "\$8,083,000,000" and inserting "\$11,258,000,000";

(2) in subparagraph (A), by striking "\$7,200,000,000" and inserting "\$8,000,000,000";

(3) in subparagraph (B), by striking "and" at the end;

(4) by redesignating subparagraph (C) as subparagraph (D);

(5) by inserting after subparagraph (B) the following new subparagraph:

"(C) \$2,000,000,000 in loans, as provided in section 7(a)(21); and"; and

(6) in subparagraph (D), as redesignated, by striking "\$825,000,000" and inserting "\$1,200,000,000".

(c) **FINANCINGS FOR FISCAL YEAR 1995.**—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking subsections (k) and (l), as added by section 405(3) of the Small Business Credit and Business Opportunity Enhancement Act of 1992, and inserting the following:

"(1) The following program levels are authorized for fiscal year 1995:

"(1) For the programs authorized by this Act, the Administration is authorized to make \$13,360,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) \$9,000,000,000 in general business loans, as provided in section 7(a);

"(B) \$3,000,000,000 in loans, as provided in section 7(a)(21);

"(C) \$60,000,000 in loans, as provided in section 7(a)(12)(B); and

"(D) \$1,300,000,000 in financings, as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958.

"(2)(A) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make \$23,000,000 in purchases of preferred securities, \$244,000,000 in guarantees of debentures, of which \$44,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act, and \$400,000,000 in guarantees of participating securities.

"(B) There are authorized to be appropriated to the Administration for fiscal year 1995, such sums as may be necessary to carry out subparagraph (A), including salaries and expenses of the Administration.

"(3) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees of not more than \$2,180,000,000."

(d) **FINANCINGS FOR FISCAL YEAR 1996.**—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) by striking subsections (m) and (n) and inserting the following:

"(m) The following program levels are authorized for fiscal year 1996:

"(1) For the programs authorized by this Act, the Administration is authorized to make \$14,960,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) \$10,000,000,000 in general business loans, as provided in section 7(a);

"(B) \$3,500,000,000 in loans, as provided in section 7(a)(21);

"(C) \$60,000,000 in loans, as provided in section 7(a)(12)(B); and

"(D) \$1,400,000,000 in financings, as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958.

"(2)(A) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make \$24,000,000 in purchases of preferred securities, \$256,000,000 in guarantees of debentures, of which \$46,000,000 is authorized in

guarantees of debentures from companies operating pursuant to section 301(d) of such Act, and \$550,000,000 in guarantees of participating securities.

"(B) There are authorized to be appropriated to the Administration for fiscal year 1996, such sums as may be necessary to carry out subparagraph (A), including salaries and expenses.

"(3) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed \$2,275,000,000."

(2) in subsection (o), by striking "(o) The" and inserting "(n) The"; and

(3) in subsection (p)—

(A) by striking "(p) There" and inserting "(2) There", and indenting appropriately; and

(B) by striking "subsection (o)" and inserting "paragraph (1)".

SEC. 3. MICROLOAN PROGRAM AUTHORIZATIONS. Section 20(k) of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) in paragraph (1), as redesignated, by striking "and" at the end;

(4) in paragraph (2), as redesignated—

(A) in subparagraph (A), by striking "\$60,000,000" and inserting "\$80,000,000";

(B) in subparagraph (B), by striking "\$35,000,000" and inserting "\$30,000,000"; and

(C) by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following new paragraphs:

"(3) for fiscal year 1995—

"(A) \$100,000,000 to be used for the provision of loans; and

"(B) \$45,000,000 to be used for the provision of grants; and

"(4) for fiscal year 1996—

"(A) \$120,000,000 to be used for the provision of loans; and

"(B) \$55,000,000 to be used for the provision of grants."

SEC. 4. EXTENSION OF STATE LIMITATION ON INTEREST RATES.

Section 112(c) of the Small Business Administration Reauthorization and Amendments Act of 1988 (Public Law 100-590; 102 Stat. 2996) is amended—

(1) by striking paragraph (2); and

(2) by striking "(1) IN GENERAL."

SEC. 5. GUARANTEED BUSINESS LOAN PROGRAM AMENDMENTS.

(a) **ADDITIONAL GUARANTEE FEES.**—

(1) **IN GENERAL.**—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended—

(A) by inserting "(A)" after "(18)"; and

(B) by adding at the end the following new subparagraph:

"(B) In addition to fees collected under subparagraph (A), the Administration shall collect a fee charged to the participating lending institution in any case in which a loan made under this section is sold on the secondary market in an amount equal to 50 percent of that portion of the sale price which is in excess of 110 percent of the face value of the loan. Such fee may not be charged to the borrower."

(2) **SUNSET.**—The amendments made by paragraph (1) shall remain in effect until September 30, 1996.

(b) **GUARANTEE PERCENTAGES.**—

(1) **IN GENERAL.**—Subparagraph (B) of section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended to read as follows:

"(B) subject to the limitation in paragraph (3)—

"(i) not less than 70 percent nor more than 75 percent of the financing outstanding at the time of disbursement, if such financing is more than \$155,000 and the period of maturity of such financing is less than 10 years, except that the participation by the Administration may be reduced below 70 percent upon request of the participating lender; and

"(ii) not less than 80 percent of the financing outstanding at the time of disbursement, if such financing is a loan under paragraph (16)."

(2) **ADDITIONAL AMENDMENTS.**—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(A) in the second sentence (immediately following paragraph (2)(B)(ii)), by striking "85 percent" and inserting "the specified percentages"; and

(B) in the third sentence, by striking "80 percent" and inserting "75 percent".

(c) **SYSTEM FOR LOAN PAYMENT AND SERVICING.**—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(22)(A) For loans guaranteed under this subsection, the Administrator is authorized to establish a centralized loan payment and servicing system.

"(B) Such system shall utilize a fiscal and transfer agent to collect an annual fee on each loan that is equal to ¼ of 1 percent of the declining principal balance of the loan."

SEC. 6. INTEREST RATE FOR PREFERRED LENDERS PROGRAM.

Section 7(a)(2) of the Small Business Act (15 U.S.C. 7(a)(2)) is amended by inserting after the third sentence, the following: "The maximum interest rate for a loan under the Preferred Lenders Program shall not exceed the maximum interest rate applicable to other loan guarantee programs under section 7(a), as established by the Administrator."

SEC. 7. MICROLOAN PROGRAM AMENDMENTS.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (1)(B)(iii), by striking "\$15,000" and inserting "\$25,000";

(2) in paragraph (4)(C)(ii), by inserting "to defray costs associated with loan fund administration and" before "to provide";

(3) in paragraph (5)(A), by striking "6 grants" and inserting "12 grants";

(4) by amending paragraph (9)(A) to read as follows:

"(A) **IN GENERAL.**—The Administration may provide, directly or through an organization described in subparagraph (B), technical assistance for participants and potential participants in the Microloan Demonstration Program to give such participants and potential participants such knowledge, skills, and understanding of microlending practices necessary to operate successful microloan programs."; and

(5) in paragraph (9)(B)—

(A) by striking "3 percent" and inserting "7 percent"; and

(B) by inserting "and nonprofit organizations that have demonstrated experience in providing training support for microenterprise development and financing" after "microlending organizations".

SEC. 8. REGULATIONS.

(a) **IMPLEMENTATION.**—Not later than 60 days after the date of enactment of this Act, the Administrator of the Small Business Administration (hereafter in this section referred to as the "Administrator") shall promulgate interim final regulations to implement the amendments made by this Act.

(b) **IMPLEMENTATION OF POLLUTION CONTROL ASSISTANCE PROVISION.**—

(1) **TECHNICAL CORRECTION.**—Section 7(a)(12)(B) of the Small Business Act (15 U.S.C. 636(a)(12)(B)), as added by section 111(c)(2) of Public Law 100-590, is amended by striking "(b)" and inserting "(B)" and by indenting accordingly.

(2) **REGULATIONS.**—Not later than 240 days after the date of enactment of this Act, the Administrator shall promulgate final regulations, after an opportunity for notice and public comment, to carry out section 7(a)(12)(B) of the Small Business Act.

SEC. 9. WHITE HOUSE CONFERENCE ON SMALL BUSINESS.

(a) **DATES OF CONFERENCES.**—Section 2 of the White House Conference on Small Business Authorization Act (15 U.S.C. 631 note) is amended—

(1) by striking "January 1, 1994" and inserting "May 1, 1995";

(2) by striking "April 1, 1994" and inserting "December 31, 1995"; and

(3) by striking "December 1, 1992" and inserting "March 1, 1994".

(b) **APPOINTMENT OF COMMISSIONERS.**—Section 5(a) of the White House Conference on Small Business Authorization Act (15 U.S.C. 631 note) is amended by striking "The President" and inserting "Not later than 30 days after the date of enactment of the Small Business Credit Reform Act of 1993, the President".

(c) **AUTHORIZATION OF APPROPRIATIONS.**—Section 9(a) of the White House Conference on Small Business Authorization Act (15 U.S.C. 631 note) is amended by striking "\$5,000,000" and inserting "\$7,000,000".

By Mr. RIEGLE (for himself, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mrs. BOXER, Mr. CAMPBELL, Ms. MOSELEY-BRAUN, and Mr. BRADLEY):

S. 1275. A bill to facilitate the establishment of community development financial institutions; to the Committee on Banking, Housing, and Urban Affairs.

THE COMMUNITY DEVELOPMENT BANKING ACT

Mr. RIEGLE. Mr. President, I introduce the Community Development Banking and Financial Institutions Act of 1993. I am joined in introducing this bill by my distinguished colleagues Senators SARBANES, DODD, KERRY, BOXER, CAMPBELL, MOSELEY-BRAUN, and BRADLEY. This initiative was unveiled by President Clinton on July 15. I commend the President on crafting this innovative proposal, which is a part of a larger administration strategy to facilitate the flow of capital into distressed, credit-starved communities. The President has also presented a companion community lending initiative consisting of regulatory reforms to improve enforcement of the Community Reinvestment Act. Together, these initiatives will foster the develop and expansion of grassroots community-oriented lending institutions while, at the same time, encouraging the entire banking industry to serve low income and minority communities.

Last spring's riots in Los Angeles demonstrated how serious the situation has become in our Nation's cities. Now, more than ever, we need new

models for revitalization. Inadequate access to capital is one of the primary factors leading to disinvestment and disintegration. Last year, the Banking Committee held several hearings focusing on access to capital in distressed communities and among low and moderate income people. The committee found significant capital gaps caused by racial discrimination and redlining, changes in the banking and financial services industries, lack of expertise in community lending, and the special characteristics of the community development credit market.

Redlining and discrimination are still significant problems in many communities. A recent Federal Reserve Board study of 1991 HMDA data indicated that African-Americans are twice as likely as their white counterparts to be rejected for a mortgage loan and Latino applicants are 1.4 times as likely to be rejected as whites. A more detailed analysis by the Federal Reserve Bank of Boston documented that, after controlling for legitimate credit concerns, minority applicants are still 60 percent more likely than white applicants to be rejected when requesting mortgage loans. Furthermore, a General Accounting Office study revealed that the number of mortgage loans purchased by Fannie Mae and Freddie Mac per homeowner declines as the percentage of minorities in the neighborhood increases.

Consolidation of the banking system has caused concerns about credit availability. Three-quarters of all small business loans are made by small- and medium-sized banks. Small business loans also comprise a larger portion of the loan portfolios of small- and medium-sized banks. Loans to small firms make up 95 percent of the loan portfolio at small banks and 77 percent at medium banks, compared to 13 percent at large banks. As banks become larger, they rely increasingly on standardized underwriting and credit criteria. Since investment in many distressed communities often requires creative and flexible financing, this trend toward consolidation has had the effect of discouraging investment in distressed communities.

The Community Development Banking and Financial Institutions Act will plant the seeds of a network of financial institutions dedicated to the revitalization of our inner cities and distressed rural communities. Community development financial institutions are a diverse group of depository and non-depository, for-profit and non-profit institutions whose primary mission is to revitalize their communities by investing in them. They are an innovative mechanism for bringing private capital into low income neighborhoods. They include community development banks, community development credit unions, minority-owned banks, community development loan funds, micro-

enterprise lenders, community development corporations, and other neighborhood development organizations providing credit services. These institutions have impressive track records of facilitating small business development, financing and constructing affordable housing, creating and retaining jobs, and building new ladders of opportunity for low-income residents.

I have been a strong supporter of community-oriented lending institutions. As part of the Housing and Community Development Act of 1992, I authored a demonstration program designed to promote investment in these institutions. This bill expands on that concept.

This bill is intended to build a coherent community lending network that supports and complements the activities of existing commercial lenders and non-profit organizations, and promotes new investment. This network will promote affordable housing, small business, job creation and retention, and other neighborhood revitalization initiatives. This network will focus on more effectively using existing and developing new finance tools, leveraging private investment, building communities, and providing assistance to seed or expand community-oriented lending and development organizations. It is critical to point out that investment in community development financial institutions in no way reduces the obligation of commercial lenders to lend in distressed communities. Community development financial institutions are intended to complement the activities of existing lenders.

This bill creates a national fund which will be authorized at \$382 million over 4 years. The fund will build a national network of community development financial institutions whose primary mission is providing credit and development services in targeted areas and among targeted populations.

Organizations eligible to receive assistance may be depository institution holding companies, insured depository institutions or credit unions, or other organizations that have a primary mission of community development. The fund will provide assistance for capital, development services, and technical assistance. Capital assistance may be provided in the form of loans, equity investments, grants, deposits and membership shares. Development services may be used to provide business and financial counseling, management assistance and support to borrowers, and to cover other program implementation costs. Depository institutions receiving assistance will be required to match their Federal assistance on a one-to-one basis from non-Federal sources. This provision is critical because it will leverage significant resources from private sources and ensure a strong local commitment to the success of the institution.

At the time of application, eligible participants will be required to submit a strategic plan describing their community revitalization goals and management plan. This plan will be used to set aggressive, but realistic performance goals. Restrictions on the use of assistance will be imposed.

Community development financial institutions receiving assistance through the fund will be expected to be well managed, and to pose no safety and soundness problems. Participating insured depositories will be expected to perform in conformance with the same safety and soundness standards as other insured depository institutions. The Federal financial regulatory agencies will retain the authority to prohibit any activities by depositories that pose undue financial risks.

The fund will also assist in building the capacity of participating organizations through the provision of technical assistance grants to community development financial institutions. These efforts will help ensure that community development financial institutions are able to meet their performance goals and are properly managed. This training will help ensure that Federal dollars are prudently managed and invested.

The success of existing community development financial institutions has inspired groups in cities across the Nation to explore the creation of new community-oriented financial institutions. For example, in my home State of Michigan, community leaders are working in Grand Rapids and Detroit to raise capital to start community development banks to serve predominantly minority neighborhoods that have been ignored by other lending institutions. One of the greatest obstacles new community-oriented institutions face is raising capital. This bill is designed to aid these institutions in raising the capital they need to start and to expand, as well as to provide assistance for the comprehensive range of development services that make the institutions so successful in promoting revitalization.

Community development financial institutions hold great promise for stemming the tide of disinvestment that has gripped our inner cities and distressed rural communities. These institutions will assist in empowering residents to become full participants in the social and economic mainstream of our Nation and make our neighborhoods safe and healthy places to live.

I commend the President for his vision and leadership in crafting a comprehensive community lending and development initiative. I also look forward to working on a bipartisan basis with the members of the Banking Committee and the full Senate in enacting this proposal.

I ask unanimous consent that the text of the bill appear in the RECORD. I

would also like to submit for the RECORD the President's letter of transmittal, a summary of the bill, and a section-by-section analysis of the bill.

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

S. 1275

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 "Community Development Banking and Financial Institutions Act of 1993".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) many of the Nation's urban and rural communities and Indian reservations face critical social and economic problems arising in part from the lack of economic growth, people living in poverty, and the lack of employment and other opportunities;

(2) the restoration and maintenance of the economies of these communities will require coordinated development strategies, intensive supportive services, and increased access to capital and credit for development activities, including investment in businesses, housing, commercial real estate, human development, and other activities that promote the long-term economic and social viability of the community;

(3) in many urban and rural communities, low- and moderate-income neighborhoods, and Indian reservations, there is a shortage of capital and credit for business and affordable housing;

(4) access to capital and credit is essential to unleash the untapped entrepreneurial energy of America's poorest communities and to empower individuals and communities to become self-sufficient; and

(5) community development financial institutions have proven their ability to identify and respond to community needs for capital, credit, and development services in the absence of, or as a complement to, service provided by other lenders.

(b) PURPOSE.—The purpose of this Act is to create a Community Development Banking and Financial Institutions Fund that will support a program of investment in and assistance to community development financial institutions. The Community Development Banking and Financial Institutions Fund will provide financial and technical assistance, including training, to community development financial institutions, serve as a national information clearinghouse, and be an institutional voice for community development. The community development financial institutions that the Community Development Banking and Financial Institutions Fund supports will provide capital, credit, and development services to targeted investment areas or populations, and will promote economic revitalization and community development.

SEC. 3. DEFINITIONS.

(a) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the same meaning given such term in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

(b) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term "community development financial institution" means any bank, savings association, depository institution holding company, credit union, micro-enterprise loan fund, community development corporation, community development re-

volving loan fund, minority-owned or other insured depository institution, or non-depository organization that—

(1) has as its primary mission the promotion of community development through the provision of capital, credit, or development services in its investment areas or to target populations; and

(2) encourages, through representation on its governing board or otherwise, the input of residents in the investment area or the targeted populations.

A depository institution holding company may qualify as a community development financial institution only if the holding company and its subsidiaries collectively satisfy the requirements of paragraphs (1) and (2). No subsidiary of the depository institution holding company may qualify as a community development financial institution if the holding company and its subsidiaries collectively do not meet the requirements of paragraphs (1) and (2). The term "community development financial institution" does not include an agency or instrumentality of the United States or an agency or instrumentality of any State or political subdivision thereof.

(c) DEPOSITORY INSTITUTION HOLDING COMPANY.—The term "depository institution holding company" has the same meaning given such term in section 3(w) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)).

(d) DEVELOPMENT SERVICES.—The term "development services" means activities conducted by a community development financial institution that promote community development by developing, supporting, and strengthening the lending, investment, and capacity-building activities undertaken by institutions, including, but not limited to—

(1) business planning services;

(2) financial and credit counseling services;

(3) marketing and management assistance; and

(4) administrative activities associated with lending or investment.

(e) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term "insured community development financial institution" means any community development financial institution that is an insured depository institution. The term also includes an insured credit union which has been designated as low-income by the National Credit Union Administration.

(f) INSURED CREDIT UNION.—The term "insured credit union" has the same meaning given such term in section 101(7) of the Federal Credit Union Act (12 U.S.C. 1752(7)).

(g) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the same meaning given such term in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)).

(h) INVESTMENT AREA.—The term "investment area" means an identifiable community that—

(1) meets objective criteria of distress, including the number of low-income families, the extent of poverty, the extent of unemployment, the extent of unmet credit needs, the degree of availability of basic financial services, the degree of limited access to capital and credit provided by existing financial institutions, and other factors that the Fund determines to be appropriate; or

(2) is located in an empowerment zone or enterprise community designated under section 1391 of the Internal Revenue Code of 1986.

(i) QUALIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term "qualified

community development financial institution" means a community development financial institution that meets the requirements of sections 5(b) (2) through (8) of this Act.

(j) TARGETED POPULATION.—The term "targeted population" means an identifiable group of low-income or disadvantaged persons that are underserved by existing financial institutions.

SEC. 4. ESTABLISHMENT OF NATIONAL FUND FOR COMMUNITY DEVELOPMENT BANKING.

(a) IN GENERAL.—There is created and chartered a body corporate to be known as the Community Development Banking and Financial Institutions Fund (referred to in this Act as the "Fund") that shall have the powers and responsibilities specified by this Act. The Fund shall have succession until dissolved. The charter of the Fund may be revised, amended, or modified by Congress at any time. The offices of the Fund shall be in Washington, D.C.

(b) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The powers and management of the Fund shall be vested in a Board of Directors (referred to in this Act as the "Board"), which shall have nine members.

(2) MEMBERS.—The members of the Board shall consist of the following:

(A) The Secretary of Agriculture.

(B) The Secretary of Commerce.

(C) The Secretary of Housing and Urban Development.

(D) The Secretary of the Treasury.

(E) The Administrator of the Small Business Administration.

(F) Four private citizens, appointed by the President with the advice and consent of the Senate, that collectively—

(i) represent community groups whose constituencies include low-income persons or residents of investment areas,

(ii) have expertise in the operations and activities of insured depository institutions, and

(iii) have expertise in community development and lending;

provided that there should not be less than one member from each of the three categories described in clauses (i) through (iii) of this subparagraph.

(3) CHAIRPERSON.—The President shall appoint from among the members of the Board specified in paragraph (2)(F) a chairperson of the Board, who shall serve at the pleasure of the President for a term of two years.

(4) VICE-CHAIRPERSON.—The President shall appoint from among the members specified in paragraph (2) a vice-chairperson who will serve as chairperson in the absence, disability, or recusal of the chairperson. The vice-chairperson shall serve at the pleasure of the President for a term of two years.

(5) TERMS OF APPOINTED MEMBERS.—

(A) IN GENERAL.—Each member appointed pursuant to paragraph (2)(F) shall serve at the pleasure of the President for a term of four years, except as provided in paragraph (5)(C).

(B) VACANCIES.—Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the previous member was appointed shall be appointed for the remainder of such term. Appointed members may continue to serve following the expiration of their terms until a successor is appointed and qualified.

(C) TERMS.—The terms of the initial appointed members shall be for four years and shall begin on the date each member is appointed, except that two of the members initially appointed pursuant to paragraph (2)(F)

shall be designated to serve at the pleasure of the President for five years.

(6) **ACTING OFFICIALS.**—In the event of a vacancy or absence of the individual in any of the offices described in paragraphs (2)(A) through (E), the official acting in that office shall be a member of the Board.

(7) **AUTHORITY TO DELEGATE.**—Each member of the Board specified in paragraphs (2)(A) through (E) may designate another official who has been appointed by the President with the advice and consent of the Senate within the same agency to serve as a member in his or her stead.

(8) **COMPENSATION.**—Members of the Board who are otherwise officers or employees of the United States shall serve without additional compensation for their duties as members, but shall be reimbursed by the Fund for travel, per diem, and other necessary expenses incurred in the performance of their duties, in accordance with sections 5702 and 5703 of title 5, United States Code. The appointed members of the Board shall be entitled to receive compensation at the daily equivalent of the rate for a position under Level IV of the Executive Schedule under section 5315 of title 5, United States Code, and shall be reimbursed by the Fund for travel, per diem, and other necessary expenses incurred in the performance of their duties, in accordance with sections 5702 and 5703 of title 5, United States Code.

(9) **METINGS.**—The Board shall hold meetings at least quarterly. Special meetings of the Board may be called by the Chairperson or on the written request of three members of the Board. A majority of the members of the Board in office shall constitute a quorum.

(c) **OFFICERS AND EMPLOYEES.**—The Board shall appoint a Chief Executive Officer who will be responsible for the management of the Fund and such other duties deemed appropriate by the Board. The Board shall appoint a Chief Financial Officer who shall oversee all of the financial management activities of the Fund. The Board shall also appoint an Inspector General. The Board may appoint such other officers and employees of the Fund as the Board determines to be necessary or appropriate. The Chief Executive Officer, Chief Financial Officer, and up to 3 other officers of the Fund may be appointed without regard to the provisions of title 5 of the United States Code governing appointments in the Federal service and compensated without regard to chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code, except that the rate of pay for the Chief Executive Officer shall not exceed the rate for a position under Level II of the Executive Schedule under section 5313 of title 5 of the United States Code and the rate of pay for the remaining four officers shall not exceed the rate for a position under Level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

(d) **GENERAL POWERS.**—In carrying out its powers and duties, the Fund—

(1) shall have all necessary and proper powers to carry out its authority under this Act;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may sue and be sued in its corporate name and complain and defend in any court of competent jurisdiction;

(4) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and shall have power to make such rules and regulations as may be necessary or appropriate to implement the provisions of this Act;

(5) may enter into and perform such agreements, contracts, and transactions as may be deemed necessary or appropriate to the conduct of activities authorized under this Act;

(6) may determine the character of and necessity for its expenditures and the manner in which they shall be incurred, allowed, and paid;

(7) may utilize or employ the services of personnel of any agency or instrumentality of the United States with the consent of the agency or instrumentality concerned on a reimbursable or non-reimbursable basis; and

(8) may execute all instruments necessary or appropriate in the exercise of any of its functions under this Act and may delegate to members of the Board, to the Chief Executive Officer, or the officers of the Fund such of its powers and responsibilities as it deems necessary or appropriate for the administration of the Fund.

(e) **WHOLLY-OWNED GOVERNMENT CORPORATION.**—

(1) The Fund shall be a wholly-owned Government corporation in the Executive branch and shall be treated in all respects as an agency of the United States, except to the extent this Act provides otherwise.

(2) Section 9101(3) of title 31, United States Code (the Government Corporation Control Act), is amended—

(A) by redesignating paragraphs (B) through (M) as paragraphs (C) through (N), respectively; and

(B) by inserting after paragraph (A) the following:

“(B) the Community Development Banking and Financial Institutions Fund.”; and

(3) Section 9107(b) of title 31, United States Code (the Government Corporation Control Act), shall not apply to deposits of the Fund made pursuant to section 7 of this Act.

(f) **LIMITATION OF FUND AND FEDERAL LIABILITY.**—The liability of the Fund and of the United States Government arising out of any investment in a community development financial institution in accordance with this Act shall be limited to the amount of the investment and the Fund shall be exempt from any assessments and other liabilities that may be imposed on controlling or principal shareholders by any Federal law or the law of any State, Territory, or the District of Columbia. A community development financial institution that receives assistance pursuant to this Act shall not be deemed to be an agency, department, or instrumentality of the United States.

(g) **PROHIBITION ON ISSUANCE OF SECURITIES.**—The Fund may not issue stock, bonds, debentures, notes, or other securities.

SEC. 5. APPLICATIONS FOR ASSISTANCE.

(a) **FORM AND PROCEDURES.**—An application for assistance under this Act shall be submitted by an applicant in such form and in accordance with such procedures as the Board shall establish. The Board shall publish regulations with respect to application requirements and procedures not later than 210 days after enactment of this Act.

(b) **MINIMUM REQUIREMENTS.**—The Board shall require that the application—

(1) demonstrate to the satisfaction of the Board that the applicant is, or upon the receipt of a charter will be, a community development financial institution as defined in section 3(a) of this Act;

(2) demonstrate that the applicant will serve—

(A) a targeted population; or

(B) an area which is an investment area;

(3) in the case of an applicant that has previously received assistance under this Act, demonstrate that the applicant—

(A) has successfully carried out its responsibilities under this Act;

(B) has become or is about to become an entity that will not be dependent upon assistance from the Fund for continued viability; and

(C) will expand its operations into a new investment area, offer new services, or will increase the volume of its current business;

(4) in the case of a community development financial institution with existing operations, demonstrate a record of success of serving investment areas or targeted populations;

(5) include a detailed and comprehensive strategic plan for the organization that contains—

(A) a business plan of at least five years that demonstrates the applicant is properly managed and has the capacity to form and operate a community development financial institution that is, or will become, an entity that will not be dependent upon assistance from the Fund for continued viability;

(B) a statement that the applicant has, or will have, in its charter or other governing documents a primary commitment to community development, or other evidence of a prior history and a continuing affirmation of a primary commitment to community development;

(C) an analysis of the needs of the investment area or targeted populations and a strategy for how the applicant will attempt to meet those needs;

(D) a plan to coordinate use of assistance from the Fund with existing Federal, government-sponsored enterprise, and State and local assistance programs, and private sector financial services;

(E) a statement that the proposed activities of the applicant are consistent with existing economic, community and housing development plans adopted by or applicable to the investment area;

(F) a description of how the applicant will affiliate, network, or otherwise coordinate with a full range of community organizations and financial institutions which provide, or will provide, capital, credit, or secondary markets in order to assure that banking, economic development, investment, affordable housing, and other related services will be available within the investment area or to targeted populations; and

(G) such other information as the Board deems appropriate for inclusion in the strategic plan;

(6) demonstrate that the applicant will carry on its activities consistent with the purposes of this Act within the investment area or with respect to a targeted population;

(7) include a detailed and specific statement of applicant's plans and likely sources of funds to match the amount of assistance from the Fund with funds from private sources in accordance with the requirements of section 7(d) of this Act; and

(8) include such other information as the Board may require.

(c) **PRE-APPLICATION OUTREACH PROGRAM.**—The Fund shall provide for an outreach program to identify and provide information to potential applicants and to increase the capacity of potential applications to meet the applications and other requirements of this Act.

SEC. 6. SELECTION OF INSTITUTIONS.

(a) **SELECTION CRITERIA.**—The Board shall, in its discretion, select applications that meet the requirements of section 5 of this Act and award assistance from the Fund in accordance with section 7 of this Act. In selecting applications, the Board shall consider applications based on, but not limited to—

(1) the likelihood of success of the applicant in forming and operating a community development financial institution;

(2) the range and comprehensiveness of the capital, credit, and development services to be provided by the applicant;

(3) the extent of the need, as measured by objective criteria of distress, within the investment areas or targeted populations for the types of activities proposed by the applicant;

(4) the likelihood that the proposed activities will benefit a significant portion of the investment areas or targeted populations or, in the case of a community development financial institution with existing operations, evidence of a record of success in serving investment areas or targeted populations;

(5) the extent to which the applicant will concentrate its activities on serving low and very low-income families;

(6) the evidence of the extent of a broad cross-section of support from the investment areas or targeted populations;

(7) the experience and background of the proposed management team;

(8) the amount of legally enforceable commitments at the time of application to meet or exceed the matching requirements under section 7(d) of this Act and the strength of the plan for raising the balance of the match;

(9) in the case of applicants that have previously received assistance pursuant to this Act, the extent to which they have met or exceeded their performance goals;

(10) the extent to which the proposed activities will expand the employment base within the investment areas or the targeted populations;

(11) the extent to which the applicant is, or will be, community-owned or community-governed;

(12) whether the applicant is, or will become, an insured community development financial institution;

(13) whether the applicant is, or will be located, in an empowered zone or enterprise community designated under section 1391 of the Internal Revenue Code of 1986;

(14) in the case of an institution that is not an insured community development financial institution, the extent to which the institution has or will have the ability to increase its resources through affiliation with a secondary market, insured depository institution, or other financial intermediary in order to multiply the amount of capital or credit available for community development;

(15) in the case of an insured depository institution or insured credit union applicant, whether the institution—

(A) has or will have a substantial affiliation with an entity or network of entities that are community development financial institution; and

(B) has a comprehensive plan for providing meaningful financial assistance to such an entity or network of entities; and

(16) other factors deemed appropriate by the Board.

(b) **GEOGRAPHIC DIVERSITY.**—In addition to the above, in making its selections, the Board shall seek to fund a geographically diverse group of applicants, which shall include applicants from nonmetropolitan and rural areas.

(c) **PUBLICATION REQUIREMENT.**—The Board shall publish regulations with respect to its selection criteria not later than 210 days after the date of enactment of this Act.

SEC. 7. ASSISTANCE PROVIDED BY THE FUND.

(a) **PURPOSE OF ASSISTANCE.**—

(1) The Fund shall work to promote an environment hospitable to business formation,

economic growth, community development, and affordable housing in distressed communities. The Fund shall coordinate its activities with existing Federal and other community and economic development programs.

(2) Assistance may be provided to an existing qualified community development financial institutions to expand its activities to serve investment areas or targeted populations not current served by another qualified community development financial institution receiving assistance under this section or to expand the volume of its activities consistent with the purposes of this Act, or to form a new entity to undertake activities consistent with the purpose of this Act, or to assist an existing entity to modify its structure or activities in order to undertake activities consistent with the purposes of this Act.

(b) **TYPES OF ASSISTANCE.**—

(1) **IN GENERAL.**—The Fund may provide financial assistance to qualified community development financial institutions through equity investments, loans deposits, membership shares, and grants. The Fund may also provide technical assistance, including training, and grants for technical assistance to qualified community development financial institutions. The allocation of awards of assistance between insured and uninsured community development financial institutions shall be in the discretion of the Board, provided that due consideration shall be given to the allocation of funds to insured community development financial institutions.

(2) **FINANCIAL ASSISTANCE.**—The Fund shall structure financial assistance to a qualified community development financial institution in such a manner that it does not own more than 50 percent of the equity of such institution and does not control the operations of such institution. The Fund will not be deemed to control such institution for the purposes of applicable laws. With respect to equity investments, the Fund shall hold only transferable, nonvoting investments. Such equity investments may provide for convertibility to voting stock upon transfer by the Fund.

(3) **DEPOSITS.**—Notwithstanding any other provision of law, deposits made pursuant to this section in qualified insured community development financial institutions shall not be subject to any requirement for collateral or security.

(4) **LIMITATIONS ON OBLIGATIONS.**—Direct loan obligations may be incurred only to the extent that appropriations of budget authority to cover their costs, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(c) **PURPOSE OF FINANCIAL ASSISTANCE.**—Financial assistance made available under this Act may be used by assisted institutions to develop or support—

(1) commercial facilities that enhance revitalization, community stability, or job creation and retention efforts;

(2) business creation and expansion efforts that—

(A) create or retain jobs for low-income people;

(B) enhance the availability of products and services to low-income people; or

(C) create or retain business owned by low-income people or residents of a targeted area;

(3) community facilities that provides benefits to low-income people or enhance community stability;

(4) the provision of basic financial services to low-income people or residents of a targeted area;

(5) the provision of development services;

(6) home ownership opportunities that are affordable to low-income households;

(7) rental housing that is principally affordable to low-income households; and

(8) other activities deemed appropriate by the Fund.

(d) **AMOUNT OF ASSISTANCE.**—The Fund may provide up to \$5,000,000 of assistance per application to any one qualified insured community development financial institution and up to \$2,000,000 per application to any other qualified community development financial institution. The Fund shall have the authority to set minimum amounts of assistance per institution.

(e) **MATCHING REQUIREMENTS.**—

(1) Assistance provided to qualified insured community development financial institutions, other than deposits or membership shares of \$100,000 or less, technical assistance, or grants for technical assistance, shall be matched by no less than one dollar of equity, deposits or membership shares for each dollar provided by the Fund. The Fund shall require a match for all other assistance, the amount and form of which shall be in the discretion of the Fund; provided that, the Fund shall in no event require assistance provided in the form of deposits or membership shares of \$100,000 or less, technical assistance, or grants for technical assistance to be matched. The Fund shall provide no assistance except technical assistance or grants for technical assistance until a qualified community development financial institution has secured legally enforceable commitments for the entire match required. Assistance may be provided in one lump sum, or over a period of time, as determined by the Fund.

(2) Assistance shall be matched with funds from sources other than the Federal Government.

(f) **TERMS AND CONDITIONS.**—

(1) **IN GENERAL.**—The Fund shall provide assistance authorized under this Act in such form and subject to such restrictions as are necessary to ensure that to the maximum extent practicable—

(A) all assistance granted is used by the qualified community development financial institution in a manner consistent with the purposes of this Act;

(B) qualified community development financial institutions receiving assistance that are not otherwise regulated by the Federal government or by a State government are financially and managerially sound;

(C) assistance results in a net increase, both nationally and in the local communities in which assistance is provided, in capital, credit, and development services; and

(D) assistance is provided in a manner that encourages affiliations and partnerships between insured depository institutions, secondary markets or other sources of credit or leverage and local organizations dedicated to community development.

(2) **CONSULTATION WITH BANKING REGULATORS.**—Prior to providing assistance to a qualified insured community development financial institution, the Board should consult with the appropriate Federal banking agency or, in the case of an insured credit union, the National Credit Union Administration.

(3) **ASSISTANCE AGREEMENT.**—

(A) The Board shall impose restrictions on the use of assistance through a stock purchase agreement, share purchase agreement, or through a contract entered into in consideration for the provision of assistance.

(B) Such agreement or contract shall require institutions assisted under this Act to

comply with performance goals. The performance goals shall be negotiated between the Board and each qualified community development financial institution receiving assistance based upon the strategic plan submitted pursuant to section 5(b)(5) of this Act. The performance goals may be renegotiated jointly as necessary or appropriate, subject to subparagraph (C) of this section. Activity levels for insured community development financial institutions should be determined by the Board in consultation with the appropriate Federal banking agency or, in the case of an insured credit union, with the National Credit Union Administration.

(C) The agreement or contract shall specify sanctions available to the Board, in its discretion, in the event of noncompliance with the purposes of this Act or the terms of the agreement. The sanctions may include revocation of approval of the application, terminating or reducing future assistance, requiring repayment of assistance, and requiring changes to the performance goals imposed pursuant to subparagraph (B) or to the strategic plan submitted pursuant to section 5(b)(5) of this Act. In the case of an insured community development financial institution, the Board shall consult with the appropriate Federal banking agency or, in the case of an insured credit union, the National Credit Union Administration, before imposing sanctions pursuant to this paragraph.

(4) REVIEW.—At least annually, the Board shall review the performance of each assisted qualified community development financial institution in carrying out its strategic plan and performance goals.

(5) REPORTING.—The Board shall require each qualified community development financial institution receiving assistance to submit an annual report to the Fund on its activities, its financial condition, its success in meeting performance goals, and its compliance with other requirements of this Act.

(g) AUTHORITY TO SELL EQUITY INVESTMENTS AND LOANS.—The Board shall have the authority at any time to sell its investments and loans and may, in its discretion, retain the power to enforce limitations on assistance entered into in accordance with the requirements of this Act.

(h) NO AUTHORITY TO LIMIT SUPERVISION AND REGULATION.—Nothing in this Act shall affect any authority of the appropriate Federal banking agency or, in the case of an insured credit union, the National Credit Union Administration, to supervise and regulate an insured community development financial institution.

SEC. 8. ENCOURAGEMENT OF PRIVATE ENTITIES.

The Board may cause to be incorporated, or encourage the incorporation of, private non-profit and for-profit entities that will complement the activities of the Fund in carrying out the purposes of this Act. The purposes of any such entities shall be limited to investing in and assisting community development financial institutions in a manner similar to the activities of the Fund under this Act. Any such entities shall be managed exclusively by private individuals who are selected in accordance with the laws of the jurisdiction of incorporation.

SEC. 9. CLEARINGHOUSE FUNCTION.

The Fund shall establish and maintain an information clearinghouse in coordination with the Departments of Agriculture, Commerce, and Housing and Urban Development, the Small Business Administration, other Federal agencies, and community development financial institutions—

(1) to cause to be collected, compiled, and analyzed information pertinent to commu-

nity development financial institutions that will assist in creating, developing, expanding, and preserving these institutions; and

(2) to cause to be established a service center for comprehensive information on financial, technical, and management assistance, case studies of the activities of community development financial institutions, regulations and other information that may promote the purposes of this Act.

SEC. 10. RECORDKEEPING, REPORTS, AND AUDITS.

(a) RECORDKEEPING.—

(1) A qualified community development financial institution receiving assistance from the Fund shall keep such records as may be reasonably necessary to disclose the disposition of any assistance under this Act and to ensure compliance with the requirements of this Act.

(2) The Fund shall have access, for the purpose of determining compliance with this Act, to any books, documents, papers, and records of a qualified community development financial institution receiving assistance from the Fund that are pertinent to assistance received under this Act.

(b) REPORTS.—

(1) ANNUAL REPORT.—The Fund shall conduct an annual evaluation of the activities carried out pursuant to this Act and shall submit a report of its findings to the President within 120 days of the end of each fiscal year of the Fund. The report shall include financial statements audited in accordance with subsection (c).

(2) INSTITUTIONAL VOICE FOR COMMUNITY DEVELOPMENT.—

(A) ONGOING STUDY.—The Fund shall conduct, or cause to be conducted, an ongoing study to identify and evaluate the most effective and financially sound policies and practices for encouraging investment in distressed communities, including small business and commercial lending, business formation and expansion, community and economic development, commercial real estate and multi-family housing, and home mortgages. In addition, the Fund may study, or cause to be studied, related matters, such as identification of sources of and access to capital and loans for community investment; development of secondary markets for economic and community development, small business and commercial loans, and home mortgage loans and investments; and methods to involve all segments of the financial services industry in community development.

(B) CONSULTATION.—In the conduct of the study, the Fund shall consult, or cause consultation with, the Office of the Comptroller of the Currency, the Federal Deficit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Federal Housing Finance Board, the Farm Credit Administration, the Office of Thrift Supervision, the National Credit Union Administration, community reinvestment, civil rights, consumer and financial organizations, and such representatives of agencies or other persons as the Fund may determine.

(C) REPORTS.—Within 270 days after the date of enactment of this Act, the Fund shall report to the President its initial findings and recommendations regarding the matters set forth in subparagraph (A). Thereafter, the Fund shall report its findings and recommendations to the President with the annual report required by paragraph (b)(1).

(3) INVESTMENT, GOVERNANCE, AND ROLE OF FUND.—Six years following the date of enactment of this Act, the Fund, in accordance with the procedures described in paragraph

(2)(A) and (B), shall conduct a study evaluating the structure, governance, and performance of the Fund. The study shall be submitted to the President. Such study shall include an evaluation of the overall performance of the Fund in meeting the purposes of this Act and any recommendations of the Fund for restructuring the Board, altering procedures under which the Fund is governed, the future role of the Fund in addressing community development, and the ability of the Fund to become a private, self-sustaining entity capable of fulfilling the purposes of this Act.

(c) EXAMINATION AND AUDIT.—The financial statements of the Fund shall be audited in accordance with section 9105 of title 31, United States Code, except that audits required by section 9105(a) of that title shall be performed annually.

SEC. 11. INVESTMENT OF RECEIPTS AND PROCEEDS.

Any dividends on equity investments and proceeds from the disposition of investments, deposits, or membership shares that are received by the Fund as a result of assistance provided pursuant to section 7 of this Act shall be deposited and accredited to an account of the Fund established to carry out the authorized purposes of this Act. Upon request of the Chief Executive Officer, the Secretary of the Treasury shall invest amounts deposited in such account in public debt securities with maturities suitable to the needs of the Fund, as determined by the Chief Executive Officer, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. Amounts deposited into the account and interest earned on such amounts pursuant to this section shall be available to the Fund until expended.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Fund, to remain available until expended, \$60,000,000 for fiscal year 1994, \$104,000,000 for fiscal year 1995, \$107,000,000 for fiscal year 1996, and \$111,000,000 for fiscal year 1997, or such greater sums as may be appropriated, to carry out the purposes of the Act.

(b) ADMINISTRATIVE EXPENSES.—The Fund may set aside up to \$10,000,000 each fiscal year to pay administrative costs and expenses.

SEC. 13. CONFORMING AMENDMENT.

Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. app. 3 §8E(a)(2)) is amended by inserting "the Community Development Banking and Financial Institutions Fund," immediately following "the Commodity Futures Trading Commission,".

To the Congress of the United States:

I am pleased to submit to the Congress the "Community Development Banking and Financial Institutions Act of 1993". This legislative initiative will promote the creation of community development financial institutions that will empower individuals and communities and provide for greater economic opportunity. Also transmitted are a statement of the Administration's principles embodied in this proposal and a section-by-section analysis.

In too many urban and rural communities, there is a lack of capital and credit. Lending in distressed communities, particularly to small businesses, can be complicated. It may require special expertise and knowledge of the borrower and the community, credit products, subsidies, and secondary markets.

Community development financial institutions—including community development banks like South Shore Bank in Chicago, community credit unions such as Self-Help in North Carolina, community development corporations, micro-enterprise loan funds, and revolving loan funds—have demonstrated that they can provide capital, credit, and development services in distressed areas and to targeted populations.

The bill proposes establishment of a Community Development Banking and Financial Institutions Fund that would support a program of investment in community development financial institutions. The Fund would provide financial and technical assistance to, and serve as a national information clearinghouse for, community development financial institutions.

This initiative reaffirms my commitment to helping communities help themselves. By ensuring greater access to capital and credit, we will tap the entrepreneurial energy of America's poorest communities and enable individuals and communities to become self-sufficient.

My Administration is also committed to enhancing the role of traditional financial institutions with respect to community reinvestment. As a complement to the community development financial institutions initiative, we will adopt regulatory changes to more effectively implement the Community Reinvestment Act of 1977. These changes will replace paperwork with performance-oriented standards and will include tougher enforcement measures for noncompliance.

In order to secure early enactment of legislation in this crucial area, I urge the Congress to consider the Community Development Banking and Financial Institutions Act of 1993 as a discrete bill, separate from general issues of financial services reform and any other nongermane amendments.

WILLIAM J. CLINTON,

THE WHITE HOUSE, July 15, 1993.

PRINCIPLES OF ADMINISTRATION'S COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROPOSAL

Creation of Fund/Governance. A Fund will be created to provide assistance to community development financial institutions (CDFIs). A corporate board of directors of the Fund will establish policy and will include the Secretaries of HUD, Treasury, Commerce, Agriculture, and the Administrator of the Small Business Administration and individuals appointed by the President who collectively represent community groups and have expertise in community development lending and commercial banking. A CEO appointed by the board will manage the Fund.

Fund A Full Range of CDFIs. All types of existing and new CDFIs will be eligible for assistance, e.g., community development banks, community development credit unions, revolving loan funds, micro-loan funds, minority-owned banks, and community development corporations. No set aside of funds is allotted for any one type of CDFI.

Mission. To be eligible for assistance, a CDFI must have a primary mission of lending to and developing an underserved target area or population that is low income or disadvantaged. All CDFIs must present a strategic plan in their application which clearly states how they will meet the economic and community development needs of their targeted communities.

Require A Non-Federal Match. A minimum match for investment in insured depository CDFIs will be required. For investment in

other CDFIs, a match will be required but the amount is left to the discretion of the Fund. Technical assistance to any CDFI from the Fund will not require a match.

Types of Assistance. The types of assistance provided by the Fund will include capital and technical and training assistance, with the specific allocations of the types of assistance left to the discretion of the Fund.

Community Representation. A criterion for receiving assistance from the Fund is the extent of community involvement in the CDFI.

Community Lending. A criterion for receiving assistance from the Fund is the extent of community financing and lending that will result from federal support.

Promotion of Self-Sustaining Institutions. A criterion for receiving assistance from the Fund is the likelihood of the institution becoming self-sustaining.

Limits on Assistance. Separate limits are placed on the amount of assistance that each insured CDFI or other type of CDFI may receive from the Fund.

Private Funds. The Fund will be authorized to incorporate private entities that can receive contributions and investments from the private sector to support CDFIs. All private funds will be entirely off the federal budget.

Safety and Soundness. All insured depository CDFIs are subject to the laws and regulations set forth by Congress and the banking regulators. No separate system of regulation or banking will be created.

Clearinghouse. The Fund will establish an information and service network in order to help CDFIs provide community and economic development assistance.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993—SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE

The Act may be cited as the "Community Development Banking and Financial Institutions Act of 1993."

SECTION 2. FINDINGS AND PURPOSE

Many of the Nation's urban areas, rural areas and Indian reservations face critical social and economic problems. The restoration and maintenance of the economies of these communities will require coordinated strategies to promote long-term economic and social viability. In many urban and rural communities, low- and moderate-income neighborhoods, and on Indian reservations, there is a shortage of capital and credit for business and affordable housing. Access to capital and credit is essential to enable individuals and communities to become self-sufficient. Community development financial institutions, such as micro-enterprise loan funds, community development credit unions, community development corporations and community development banks have proven their ability to identify and respond to community needs for capital, credit and development services in the absence of, or as a complement to, services provided by other lenders.

The purpose of the Act is to create a Community Development Banking and Financial Institutions Fund that will support a program of investment in and assistance to community development financial institutions.

SECTION 3. DEFINITIONS

The Act contains definitions of terms, including a definition of "community development financial institution." A community development financial institution includes

any bank, savings association, depository institution holding company, credit union, micro-enterprise loan fund, community development corporation, community development revolving loan fund and any minority-owned or other depository institution that (i) has as its primary mission the provision of capital, credit or development services in investment areas or to populations that are low-income or disadvantaged or underserved by existing financial institutions, and (ii) encourages, through representation on its governing board or otherwise, the input of residents in the investment areas or the targeted population. The term "investment area" means an identifiable community that meets criteria of distress as determined by the Fund, or is designated as an empowerment zone or enterprise community under section 1391 of the Internal Revenue Code of 1986.

SECTION 4. ESTABLISHMENT OF NATIONAL FUND FOR COMMUNITY DEVELOPMENT BANKING

This section provides for the establishment of a body corporate known as the Community Development Banking and Financial Institutions Fund (the "Fund"). The Fund will be managed by a nine-member Board of Directors (the "Board"). The Secretary of Agriculture, the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of the Treasury and the Administrator of the Small Business Administration, or their designees will serve as members of the Board. (A designee must be an official from the same agency who has been appointed by the President with the advice and consent of the Senate.) The remaining four members will be private citizens appointed by the President and confirmed by the Senate. These individuals must collectively represent community groups, have expertise in the activities and operations of insured depository institutions, and have expertise in community development and lending. The appointed members will serve for a term of four years, except that the initial terms of two of the appointed members will be five years. The President will appoint a chairperson from among the appointed members and a vice-chairperson from among the members of the Board. Both the chairperson and the vice-chairperson will serve in those offices for terms of two years.

The members of the Board that are otherwise employees of the United States will receive no additional compensation for service on the Board, but will be reimbursed by the Fund for travel, per diem, and other necessary expenses incurred in the performance of their duties. The appointed members will be compensated at a rate equivalent to the daily rate for a position under Level IV of the Executive Schedule. The appointed members may also be reimbursed for travel, per diem, and other necessary expenses.

The Board is required to hold meetings at least quarterly. Other meetings of the Board may be held on the call of the chairperson or at the written request of at least three Board members. A majority of the members of the Board in office will constitute a quorum.

The Board must appoint a Chief Executive Officer, a Chief Financial Officer and an Inspector General. The Chief Executive Officer will be responsible for the management of the Fund and such other duties as the Board deems appropriate. The Board may fix the compensation of the Chief Executive Officer, the Chief Financial Officer, and up to three other officers of the Fund without regard to chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code, except that

the compensation for the Chief Executive Officer may not exceed the rate of pay for a position under Level II of the Executive Schedule and the rate of pay for the four remaining officers may not exceed the rate for a position under Level IV of the Executive Schedule. All other employees of the Fund will be compensated pursuant to the provisions of title 5.

Section 4 enumerates the general powers of the Fund, which include the power to sue and be sued in its corporate name and to enter into and perform agreements. The Fund is also authorized to utilize the services of personnel of any other agency on a reimbursable or non-reimbursable basis with that agency's consent. The Fund may not issue stock, bonds, debentures, notes or other securities. The liability of the Fund and of the United States with respect to an investment in a community development financial institution is limited to the amount of the investment.

The Fund will be a wholly-owned Government corporation and will be treated as an agency of the United States unless provided otherwise by the Act.

SECTION 5. APPLICATIONS FOR ASSISTANCE

This section requires the Board to publish regulations regarding procedures and forms for applications for assistance from the Fund not later than 210 days after enactment of the Act. In order to be eligible as a threshold matter to apply for assistance from the Fund, an applicant must: (i) demonstrate to the satisfaction of the Board that the applicant is, or will be, a community development financial institution; (ii) demonstrate that the applicant will serve what is defined in the Act as a targeted population or an investment area; (iii) demonstrate, if the applicant previously has received assistance from the Fund, that the applicant has been successful in carrying out the purposes of the Act, that the applicant is, or is about to become, an entity that is not dependent upon assistance from the Fund for continued viability, and that the applicant will expand its services; (iv) demonstrate, if the applicant is a community development financial institution with existing operations, a record of success in serving investment areas or targeted populations; (v) include with its application a comprehensive strategic plan which contains required elements that will demonstrate the applicant's commitment to serving community development needs and to becoming a community development financial institution that will not be dependent upon assistance from the Fund for continued viability; (vi) include with its application a statement of the applicant's likely source of private funds to meet any matching requirement under section 7(d) of the Act; and (vii) include with its application any other information required by the Board.

This section also requires the Fund to conduct a preapplication outreach program that will identify and provide information to potential applicants and will increase the capacity of potential applicants to meet the application and other requirements of the Act.

SECTION 6. SELECTION OF INSTITUTIONS

This section requires the Board, in its discretion, to selection applications submitted under section 5 and to award assistance from the Fund. In making its selections, the Board is required to evaluate applications based on selection criteria. The selection criteria are designed to ensure that applicants with the most promise for fulfilling the pur-

poses of the Act are awarded assistance. In addition to the selection criteria, the Board is permitted to consider any other factors it deems appropriate when evaluating applications.

The Board is required to publish regulations regarding the selection criteria not later than 210 days after enactment of the Act.

SECTION 7. ASSISTANCE PROVIDED BY THE FUND

This section permits the Fund to provide financial assistance to qualified community development financial institutions in the form of equity investments, loans, deposits, membership shares and grants. The Fund may also provide technical assistance, including training, and grants for technical assistance to qualified community development financial institutions. The allocation of awards between insured and uninsured community development financial institutions is in the discretion of the Board, provided that due consideration is given to the allocation of funds for the establishment of insured community development financial institutions.

This section also requires equity investments held by the Fund to be in the form of transferable, nonvoting investments. Such equity investments may provide for convertibility to voting stock upon disposition of the interest by the Fund. The Fund is directed to structure its investments in such a manner that it will not own more than 50 percent of the equity of an institution and will not control the operations of the institution. The Fund will be deemed not to control any institution receiving financial assistance for purposes of applicable laws.

Assisted institutions may use funds provided under the Act to develop or support commercial and community facilities that enhance revitalization and job creation, business creation and expansion efforts, the provision of basic financial services to low-income persons, the provision of development services, homeownership opportunities that are affordable to low-income persons, rental housing that is affordable to low-income persons and other activities that are deemed appropriate by the Fund.

The Fund may provide up to \$5 million of assistance per application to any one qualified insured community development financial institution and up to \$2 million per application to any other qualified community development financial institution.

This section requires all qualified insured community development financial institutions receiving assistance to match the assistance with at least one dollar from private sources for each dollar provided by the Fund, except that an insured community development financial institution will not be required to match technical assistance provided by the Fund or grants of technical assistance. In addition, applicants for assistance in the form of deposits or membership shares in an amount of \$100,000 or less will not be subject to any matching requirement. A match will be required for all types of assistance provided to other community development financial institutions, and the amount and form of the match will be in the discretion of the Board. The Board, however, may not require that technical assistance or grants for technical assistance to community development financial institutions be matched. The Fund may not provide any assistance except technical assistance until legally enforceable commitments for the entire required match have been secured.

The Fund is required to provide assistance in such forms and subject to such restric-

tions that will assure, among other things, that assistance from the Fund is used in a manner consistent with the purposes of the Act and that institutions not federally regulated are financially and managerially sound. Before providing assistance to an insured community development financial institution, the Board is directed to consult with the appropriate Federal banking agency. The Board is required to impose negotiated performance goals on qualified community development financial institutions receiving assistance based on the strategic plan submitted in the institution's application. Institutions receiving assistance are required to submit an annual report to the Fund and the Fund is required to review the performance of the institutions. The assistance agreement is required to include specific sanctions available to the Board in the event that an assisted institution does not comply with the purposes of the Act or the terms of the agreement. These sanctions may include revocation of approval of the application, termination or reduction of future assistance, changing performance goals or elements of the institution's strategic plan, and requiring repayment of assistance.

This section also permits the Board to sell its investments at any time and permits the Board to retain the power to continue to enforce any limitations placed on the assistance.

This section also clarifies that the Act does not affect the authority of any Federal banking regulator to supervise and regulate an insured community development financial institution.

SECTION 8. ENCOURAGEMENT OF PRIVATE ENTITIES

The Board may cause to be incorporated, or encourage incorporation of, private non-profit and for-profit corporations that will complement the activities of the Fund in carrying out the purposes of the Act. The purposes of the private entities will be limited to investing in and assisting community development financial institutions.

SECTION 9. CLEARINGHOUSE FUNCTION

The Fund is required by this section to establish and maintain an information clearinghouse that will assist in creating, developing and expanding community development financial institutions.

SECTION 10. RECORDKEEPING, REPORTS, AND AUDITS

This section requires qualified community development financial institutions receiving assistance to maintain all records necessary for ensuring compliance with the Act. The Fund will have access to all books and records of such institutions for the purposes of determining compliance with the Act.

The Fund is required to submit a report annually to the President evaluating the activities of the Fund. The report is to be submitted not later than 120 days after the end of the fiscal year of the Fund. In addition, the Board is required to conduct, or cause to be conducted, an ongoing study of the most effective and financially sound policies for community development. In the conduct of the ongoing study, the Board is required to consult, or cause consultation, with the Federal banking regulators and other agencies, as well as community reinvestment, civil rights, consumer and financial organizations. An initial report on the ongoing study must be submitted to the President within 270 days of the date of enactment of the Act.

This section also requires the Board to conduct an additional study separate from the annual report and the ongoing study six

years after enactment of the Act. This study will evaluate the structure, governance and performance of the Fund and will contain the Board's recommendations for changes in the operations of the Fund.

The Fund will be audited annually in accordance with the provisions of the Government Corporation Control Act.

SECTION 11. INVESTMENT OF RECEIPTS AND PROCEEDS

This section provides that dividends on equity investments and proceeds from the disposition of investments, deposits, or membership shares will be deposited in an account established to carry out the authorized purposes of the Act. Upon request of the Chief Executive Officer of the Fund, the funds in the account will be invested in public debt securities that bear interest at a rate determined by the Secretary of the Treasury. The account will be available for use by the Fund in carrying out the purposes of the Act until the funds are expended.

SECTION 12. AUTHORIZATION OF APPROPRIATIONS

This section authorizes appropriations to the Fund, to remain available until expended, \$60 million for fiscal year 1994, \$104 million for fiscal year 1995, \$107 million for fiscal year 1996, and \$111 million for fiscal year 1997, or such greater sums as may be appropriated, to carry out the purposes of the Act.

The Fund is permitted to set aside up to \$10 billion per year for administrative costs and expenses.

SECTION 13. CONFORMING AMENDMENTS

This section adds the Fund to the list of entities subject to the Inspector General Act of 1978.

ADDITIONAL COSPONSORS

S. 342

At the request of Mr. BOREN, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 342, a bill to amend the Internal Revenue Code of 1986 to encourage investment in real estate and for other purposes.

S. 348

At the request of Mr. RIEGLE, the names of the Senator from Virginia [Mr. ROBB], the Senator from Utah [Mr. BENNETT], the Senator from Indiana [Mr. COATS], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of S. 348, a bill to amend the Internal Revenue Code of 1986 to permanently extend qualified mortgage bonds.

S. 473

At the request of Mr. JOHNSTON, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 473, a bill to promote the industrial competitiveness and economic growth of the United States by strengthening the linkages between the laboratories of the Department of Energy and the private sector and by supporting the development and application of technologies critical to the economic, scientific and technological competitiveness of the United States, and for other purposes.

S. 482

At the request of Mr. BOREN, the name of the Senator from Illinois [Mr.

SIMON] was added as a cosponsor of S. 482, a bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to furnish outpatient medical services for any disability of a former prisoner of war.

S. 483

At the request of Mr. SHELBY, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 483, a bill to provide for the minting of coins in commemoration of Americans who have been prisoners of war, and for other purposes.

S. 545

At the request of Mr. BOREN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 545, a bill to amend the Internal Revenue Code of 1986 to allow farmers' cooperatives to elect to include gains or losses from certain dispositions in the determination of net earnings, and for other purposes.

S. 833

At the request of Mr. GRASSLEY, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 833, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 834

At the request of Mr. GRASSLEY, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 834, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage area, and for other purposes.

S. 978

At the request of Mr. BAUCUS, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 978, a bill to establish programs to promote environmental technology, and for other purposes.

S. 982

At the request of Mr. MCCAIN, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 982, a bill to extend the purposes of the Overseas Private Investment Corporation to include American Indian Tribes and Alaska Natives.

S. 1063

At the request of Mr. ROTH, his name was added as a cosponsor of S. 1063, a bill to amend the Employee Retirement Income Security Act of 1974 to clarify the treatment of a qualified football coaches plan.

S. 1111

At the request of Mr. KERREY, the names of the Senator from Illinois [Mr. SIMON], the Senator from Indiana [Mr.

COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Missouri [Mr. DANFORTH], the Senator from Michigan [Mr. LEVIN], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 1111, a bill to authorize the minting of coins to commemorate the Vietnam Veterans' Memorial in Washington, D.C.

S. 1154

At the request of Mr. DECONCINI, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1154, a bill to amend the Foreign Assistance Act of 1961 to provide for the establishment of a Microenterprise Development Fund, and for other purposes.

S. 1252

At the request of Mr. GORTON, his name was added as a cosponsor of S. 1252, a bill to amend the Rural Electrification Act of 1936 to permit the prepayment or repricing of certain loans according to the terms of the applicable loan contract, and for other purposes.

S. 1256

At the request of Mr. DOLE, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 1256, a bill to amend the Foreign Assistance Act of 1961 to examine the status of the human rights of people with disabilities worldwide.

S. 1263

At the request of Mr. HARKIN, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1263, a bill to provide disaster assistance to agricultural producers, and for other purposes.

SENATE JOINT RESOLUTION 9

At the request of Mr. THURMOND, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of Senate Joint Resolution 9, a joint resolution proposing an amendment to the Constitution of the United States relating to voluntary school prayer.

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of Senate Joint Resolution 72, a joint resolution to designate the last week of September 1993, and the last week of September of 1994, as "National Senior Softball Week."

SENATE JOINT RESOLUTION 75

At the request of Mr. ROTH, the names of the Senator from Ohio [Mr. GLENN], the Senator from Vermont [Mr. JEFFORDS], the Senator from Illinois [Mr. SIMON], the Senator from Michigan [Mr. LEVIN], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 75, a joint resolution designating January 2, 1994, through January 8, 1994, as "National Law Enforcement Training Week."

SENATE JOINT RESOLUTION 90

At the request of Mr. ROBB, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of Senate Joint Resolution 90, a joint resolution to recognize the achievements of radio amateurs, and to establish support for such amateurs as national policy.

SENATE JOINT RESOLUTION 94

At the request of Mr. DOLE, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 94, a joint resolution to designate the week of October 3, 1993, through October 9, 1993, as "National Customer Service Week."

SENATE JOINT RESOLUTION 99

At the request of Mr. DECONCINI, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of Senate Joint Resolution 99, a joint resolution designating September 9, 1993, and April 21, 1994, each as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 113

At the request of Mr. DECONCINI, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 113, a joint resolution designating October 1993 as "Italian-American Heritage and Culture Month."

AMENDMENTS SUBMITTED

NATIONAL SERVICE TRUST ACT OF 1993 DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1993

KASSEBAUM (AND OTHERS) AMENDMENT NO. 603

Mrs. KASSEBAUM (for herself, Mr. COCHRAN, Mr. HATFIELD, Mr. MCCAIN, Mr. STEVENS, Mr. THURMOND, and Mr. SIMPSON) proposed an amendment to the bill (S. 919) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes, as follows:

In lieu of the language proposed to be inserted insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Service and Community Volunteers Act of 1993".

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

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

TITLE I—NATIONAL SERVICE AND COMMUNITY VOLUNTEERS

Subtitle A—General Provisions

Sec. 101. Definitions.
Sec. 102. Authority to make State grants.

Subtitle B—Service-Learning Programs

Sec. 111. Programs.

Subtitle C—National Service Programs

Sec. 121. Federal investment in support of national service.

Sec. 122. Transition.

Subtitle D—Quality and Innovation

Sec. 131. Quality and innovation activities.

Subtitle E—Civilian Community Corps

Sec. 141. Civilian Community Corps.

Subtitle F—Administration

Sec. 151. Reports.

Sec. 152. Nondiscrimination.

Sec. 153. Notice, hearing, and grievance procedures.

Sec. 154. Nondisplacement.

Sec. 155. Evaluation.

Sec. 156. Contingent extension.

Sec. 157. Audits.

Sec. 158. Repeals.

Subtitle G—Organization

Sec. 161. State Commissions for National Service and Community Volunteers.

Sec. 162. Interim authorities of the Corporation for National Service and Community Volunteers and ACTION Agency.

Sec. 163. Final authorities of the Corporation for National Service and Community Volunteers.

Subtitle H—Other Activities

Sec. 171. Points of Light Foundation.

Subtitle I—Authorization of Appropriations

Sec. 181. Authorization.

Subtitle J—General Provisions

Sec. 191. Effective date.

TITLE II—OTHER SERVICE PROGRAMS

Sec. 201. Repeals of service programs.

Sec. 202. Transition.

Sec. 203. Rules governing congressional consideration.

Sec. 204. Authorization of appropriations.

Sec. 205. Construction.

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

Sec. 301. Definitions.

Sec. 302. References to the Commission on National and Community Service.

Sec. 303. References to Directors of the Commission on National and Community Service.

Sec. 304. Definition of Director.

Sec. 305. References to ACTION and the ACTION Agency.

Sec. 306. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) IN GENERAL.—Section 2 of the National and Community Service Act of 1990 (42 U.S.C. 12501) is amended to read as follows:

"SEC. 2. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds the following:

"(1) Throughout the United States, there are pressing unmet human, educational, environmental, and public safety needs.

"(2) Americans desire to affirm common responsibilities and shared values that transcend race, religion, or region.

"(3) Americans of all ages can improve their communities and become better citizens through service to the United States.

"(4) Nonprofit organizations, local governments, States, and the Federal Government are already supporting a wide variety of national service programs that deliver needed services in a cost-effective manner.

"(5) Federal appropriations in fiscal year 1993 for full-time national service programs totaled \$102,700,000.

"(b) PURPOSES.—It is the purpose of this Act to—

"(1) assist in meeting the unmet human, educational, environmental, and public safety needs of the United States, without displacing existing workers;

"(2) renew the ethic of civic responsibility and the spirit of community throughout the United States;

"(3) determine, through demonstration and experimentation, the most efficient means for implementing educational or other incentives that are necessary for a successful national service program;

"(4) encourage citizens of the United States, regardless of race, religion, gender, age, disability, region, income or education, to engage in full-time or part-time national service;

"(5) reinvent government to eliminate duplication in national service and volunteer programs by merging existing national service and volunteer programs and carrying out the programs through the same administrative body, thereby diminishing bureaucratic infrastructure while maximizing program flexibility and effectiveness;

"(6) support locally established initiatives, require measurable goals for performance, and offer flexibility in meeting those goals;

"(7) build on the existing organizational service infrastructure of Federal, State, and local programs and agencies to expand full-time and part-time service opportunities for all citizens;

"(8) provide tangible benefits to the communities in which national service is performed; and

"(9) promote the integration of community volunteer activities by introducing service-learning into curricula in elementary schools, secondary schools, and institutions of higher education."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 2 and inserting the following new item:

"Sec. 2. Findings and purpose."

TITLE I—NATIONAL SERVICE AND COMMUNITY VOLUNTEERS

Subtitle A—General Provisions

SEC. 101. DEFINITIONS.

(a) IN GENERAL.—Section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511) is amended to read as follows:

"SEC. 101. DEFINITIONS.

"For purposes of this title:

"(1) ADULT VOLUNTEER.—The term 'adult volunteer' means an individual, such as an older adult, an individual with a disability, a parent, or an employee of a business or public or private not-for-profit agency, who—

"(A) works without financial remuneration in an educational institution to assist students or out-of-school youth; and

"(B) is beyond the age of compulsory school attendance in the State in which the educational institution is located.

"(2) CARRY OUT.—The term 'carry out', when used in connection with a national service program described in section 122, means the planning, establishment, operation, expansion, or replication of the program.

"(3) COMMUNITY-BASED AGENCY.—The term 'community-based agency' means a private not-for-profit organization that is representative of a community or a significant segment of a community and that is engaged in meeting human, educational, environmental, or public safety community needs.

"(4) CORPORATION.—The term 'Corporation' means the Corporation for National Service and Community Volunteers established under section 191.

"(5) DIRECTOR.—The term 'Director' means the Director of the Corporation appointed under section 193.

"(6) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means, with respect to an individual, an individual who is determined by the Director to be low-income according to the latest available data from the Department of Commerce.

"(7) ELEMENTARY SCHOOL.—The term 'elementary school' has the same meaning given such term in section 1471(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(8)).

"(8) INDIAN.—The term 'Indian' means a person who is a member of an Indian tribe.

"(9) INDIAN LANDS.—The term 'Indian lands' means any real property owned by an Indian tribe, any real property held in trust by the United States for an Indian or Indian tribe, and any real property held by an Indian or Indian tribe that is subject to restrictions on alienation imposed by the United States.

"(10) INDIAN TRIBE.—The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(11) INDIVIDUAL WITH A DISABILITY.—Except as provided in section 175(a), the term 'individual with a disability' has the meaning given the term in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)).

"(12) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

"(13) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the same meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

"(14) NATIONAL SERVICE LAWS.—The term 'national service laws' means this Act and the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(15) NATIONAL SERVICE PROGRAM.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'national service program' means a program or activity described in—

"(i) subtitle C, D, or E;

"(ii) part A of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.);

"(iii) part B of title XI of the Higher Education Act of 1965 (20 U.S.C. 1137 et seq.); or

"(iv) Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the 'Youth Conservation Corps Act of 1970').

"(B) LIMITATION.—As used in subtitle C, such term means a program described in section 122(a).

"(16) OUT-OF-SCHOOL YOUTH.—The term 'out-of-school youth' means an individual who—

"(A) has not attained the age of 27;

"(B) has not completed college or the equivalent thereof; and

"(C) is not enrolled in an elementary or secondary school or institution of higher education.

"(17) PARTICIPANT.—

"(A) IN GENERAL.—The term 'participant' means an individual enrolled in a program that receives assistance under this title.

"(B) RULE.—A participant shall not be considered to be an employee of the program in which the participant is enrolled.

"(18) PARTNERSHIP PROGRAM.—The term 'partnership program' means a program through which an adult volunteer, a public or private not-for-profit agency, an institution of higher education, or a business assists a local educational agency.

"(19) PROGRAM.—The term 'program', except when used as part of the term 'academic program', 'national service program', or 'volunteer program' means a program described in section 111(a), 119(b)(1), 122(a), or 145, in paragraph (1) or (2) of section 152(b), or in title III.

"(20) PROJECT.—The term 'project' means an activity, carried out through a program that receives assistance under this title, that results in a specific identifiable service or improvement that otherwise would not be done with existing funds, and that does not duplicate the routine services or functions of the employer to whom participants are assigned.

"(21) SCHOOL-AGE YOUTH.—The term 'school-age youth' means—

"(A) individuals between the ages of 5 and 17, inclusive; and

"(B) children with disabilities, as defined in section 602(a)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(1)), who receive services under part B of such Act.

"(22) SECONDARY SCHOOL.—The term 'secondary school' has the same meaning given such term in section 1471(21) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)).

"(23) SERVICE-LEARNING.—The term 'service-learning' means a method—

"(A) under which students or participants learn and develop through active participation in thoughtfully organized service that—

"(i) is conducted in and meets the needs of a community;

"(ii) is coordinated with an elementary school, secondary school, institution of higher education, or community service program, and with the community; and

"(iii) helps foster civic responsibility;

"(B) that is integrated into the academic curriculum of the students, or the educational components of the community service program in which the participants are enrolled;

"(C) that provides students with opportunities to use newly acquired skills and knowledge in situations in their communities; and

"(D) that enhances the curriculum or educational components described in subparagraph (B) by extending student learning beyond the classroom and into the community and helps to foster the development of a sense of caring for others.

"(24) SERVICE-LEARNING COORDINATOR.—The term 'service-learning coordinator' means an individual who provides services as described in section 111(a)(2).

"(25) SERVICE SPONSOR.—The term 'service sponsor' means an organization, or other entity, that has been selected to provide a placement for a participant.

"(26) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The term also includes Palau, until

such time as the Compact of Free Association is ratified.

"(27) STATE COMMISSION.—The term 'State Commission' means a State Commission for National Service and Community Volunteers maintained by a State pursuant to section 178. Except when used in section 178, the term includes an alternative administrative entity for a State approved by the Corporation under such section to act in lieu of a State Commission.

"(28) STUDENT.—The term 'student' means an individual who is enrolled in an elementary or secondary school or institution of higher education on a full- or part-time basis.

"(29) SUMMER PROGRAM.—The term 'summer program' means a full-time or part-time program authorized under this title that is limited to a period beginning after April 30 and ending before October 1.

"(30) VOLUNTEER PROGRAM.—The term 'volunteer program' means a program or activity described in—

"(A) part I or II of subtitle B, or title III; or

"(B) part B or C of title I, or part A, B, or C, of title II, of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4971 et seq., 4991 et seq., 5001 et seq., 5011 et seq., and 5013 et seq.)."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 182(a)(2) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(2)) is amended by striking "adult volunteer and partnership" each place the term appears and inserting "partnership".

(2) Section 182(a)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(3)) is amended by striking "adult volunteer and partnership" and inserting "partnership".

(3) Section 411(c)(2) of the Higher Education Act of 1965 (42 U.S.C. 2751(c)(2)) is amended by striking "service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990" and inserting "a project, as defined in section 101(20) of the National and Community Service Act of 1990 (42 U.S.C. 12511(18))".

(4) Section 1122(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1137a(a)(2)(C)) is amended by striking "youth corps as defined in section 101(30) of the National and Community Service Act of 1990" and inserting "youth corps programs, as described in section 122(a)(2) of the National and Community Service Act of 1990".

(5) Section 1201(p) of the Higher Education Act of 1965 (20 U.S.C. 1141(p)) is amended by striking "section 101(22)" and inserting "section 101(23)".

SEC. 102. AUTHORITY TO MAKE STATE GRANTS.

Section 102 of the National and Community Service Act of 1990 (42 U.S.C. 12512) is repealed.

Subtitle B—Service-Learning Programs

SEC. 111. PROGRAMS.

(a) AMENDMENTS TO SERVE-AMERICA PROGRAMS.—

(1) PURPOSE.—The purpose of this subsection is to improve the Serve-America programs established under part I of subtitle B of the National and Community Service Act of 1990, and to enable the Corporation for National Service and Community Volunteers, and the entities receiving financial assistance under such part, to—

(A) work with teachers in elementary schools and secondary schools within a community, and with community-based agencies, to create and offer service-learning opportunities for school-age youth;

(B) educate teachers, and faculty providing teacher training and retraining, about service-learning, and incorporate service-learning opportunities into classroom teaching to strengthen academic learning;

(C) coordinate the work of adult volunteers who work with elementary and secondary schools as part of their community service activities; and

(D) work with employers in the communities to ensure that projects introduce the students to various careers and expose the students to needed further education and training.

(2) PROGRAMS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by striking the subtitle heading and all that follows through the end of part I and inserting the following:

"Subtitle B—Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"SEC. 111. AUTHORITY TO ASSIST STATES AND INDIAN TRIBES.

"(a) USE OF FUNDS.—The Corporation, in consultation with the Secretary of Education, may make grants under section 112(b)(1), and allotments under subsections (a) and (b)(2) of section 112, to States (through State Commissions), and Indian tribes to pay for the Federal share of—

"(1) planning and building the capacity of the States or Indian tribes (which may be accomplished through grants or contracts with qualified organizations) to implement school-based and community-based service-learning programs, including—

"(A) providing training for teachers, supervisors, personnel from community-based agencies (particularly with regard to the utilization of participants), and trainers, to be conducted by qualified individuals or organizations that have experience with service-learning;

"(B) developing service-learning curricula to be integrated into academic programs, including an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences;

"(C) forming local partnerships described in subsection (b) to develop school-based or community-based service-learning programs in accordance with this part;

"(D) devising appropriate methods for research and evaluation of the educational value of service-learning and the effect of service-learning activities on participants and communities; and

"(E) establishing effective outreach and dissemination of information to ensure the broadest possible involvement of community-based agencies with demonstrated effectiveness in working with school-age youth in their communities;

"(2) implementing, operating, or expanding school-based and community-based service-learning programs, which may include paying for the cost of the recruitment, training, supervision, placement, salaries, and benefits of service-learning coordinators who shall—

"(A) assist in the design and implementation of such a program; and

"(B) identify the community partners referred to in subsection (b); and

"(3) implementing, operating, or expanding school-based and community-based service-learning programs that involve adult volun-

teers in service-learning activities to improve the education of students and school-age youth.

"(b) PARTNERSHIPS.—To support activities described in paragraph (2) or (3) of subsection (a), a State or Indian tribe shall distribute Federal funds made available under this part to local partnerships, who—

"(1) shall use the funds to carry out projects—

"(A) through school-based service-learning programs for participants selected from among students; or

"(B) through community-based service-learning programs for participants selected from among school-age youth; and

"(2) shall include—

"(A) in the case of school-based programs—

"(i) local educational agencies; and

"(ii) one or more community partners that—

"(I) shall include a public or private not-for-profit organization; and

"(II) may include a private for-profit business or private elementary or secondary school; and

"(B) in the case of community-based programs—

"(i) public or private not-for-profit organizations;

"(ii) local educational agencies; and

"(iii) one or more community partners.

"(c) QUALIFIED ORGANIZATIONS.—To support activities described in subsection (a)(1), a State or Indian tribe shall distribute Federal funds made available under this part to qualified organizations, who shall be—

"(1) local educational agencies;

"(2) community-based organizations that meet the requirements of section 111B(a);

"(3) communities;

"(4) State agencies; or

"(5) partnerships described in subparagraph (A) or (B) of subsection (b)(2).

"(d) RELATED EXPENSES.—A partnership or other qualified organization that receives financial assistance under this part may, in carrying out the activities described in subsection (a), use such assistance to pay for the Federal share of reasonable costs related to the supervision of participants, program administration, transportation, insurance, evaluations, and for other reasonable expenses necessary to carry out the activities.

"SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICANTS IN NONPARTICIPATING STATES.

"In any fiscal year in which a State does not submit an application under section 113, for an allotment under subsection (a) or (b)(2) of section 112, that meets the requirements of section 113 and such other requirements as the Director may determine to be appropriate, the Corporation may use the allotment of that State to make a direct grant—

"(1) to a qualified organization, to pay for the Federal share of carrying out activities described in section 111(a)(1) in that State; or

"(2) to a partnership described in section 111(b), to pay for the Federal share of carrying out activities described in paragraph (2) or (3) of section 111(a) in that State.

"SEC. 111B. AUTHORITY TO ASSIST PUBLIC OR PRIVATE NOT-FOR-PROFIT ORGANIZATIONS.

"(a) IN GENERAL.—The Corporation may make a grant under section 112(b)(1) to a public or private not-for-profit organization that—

"(1) has experience with service-learning;

"(2) was in existence 1 year before the date on which the organization submitted an application under section 114(a); and

"(3) meets such other criteria as the Director may establish.

"(b) USE OF FUNDS.—Such an organization may use a grant made under subsection (a) to make a grant—

"(1) to a qualified organization, to pay for the Federal share of carrying out activities described in section 111(a)(1); or

"(2) to a partnership described in section 111(b), to pay for the Federal share of carrying out activities described in paragraph (2) or (3) of section 111(a).

"SEC. 112. GRANTS AND ALLOTMENTS.

"(a) INDIAN TRIBES AND TERRITORIES.—

"(1) IN GENERAL.—Of the amounts appropriated to carry out this part for any fiscal year, the Corporation shall reserve an amount of not more than 1 percent for payments—

"(A) to Indian tribes, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs; and

"(B) to Palau, in accordance with its needs, until such time as the Compact of Free Association with Palau is ratified.

"(2) NATIVE HAWAIIAN ENTITIES.—Of the amounts appropriated to carry out this part for any fiscal year, the Corporation shall reserve 2 percent of such amounts for payments to Native Hawaiian entities, to be allotted in accordance with their respective needs. The requirements of this subtitle shall apply to such an entity in the same manner, and to the same extent, as such requirements apply to an Indian tribe.

"(b) GRANTS AND ALLOTMENTS THROUGH STATES.—The Corporation shall use the remainder of the funds appropriated to carry out this part for any fiscal year as follows:

"(1) GRANTS.—Except as provided in paragraph (3), from 20 percent of such funds, the Corporation may make grants, on a competitive basis, to—

"(A) States and Indian tribes; or

"(B) public or private not-for-profit organizations as described in section 111B.

"(2) ALLOTMENTS.—

"(A) SCHOOL-AGE YOUTH.—Except as provided in paragraph (3), from 45 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 45 percent of such funds as the number of school-age youth in the State bears to the total number of school-age youth of all States.

"(B) ALLOCATION UNDER ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Except as provided in paragraph (3), from 45 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 45 percent of such funds as the allocation to the State for the previous fiscal year under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.) bears to such allocations to all States.

"(3) MINIMUM AMOUNT.—No State shall receive, under paragraph (2), an allotment that is less than the allotment such State received for fiscal year 1993 under section 112(b) of this Act, as in effect on the day before the date of enactment of this part. If the amount of funds made available in a fiscal year to carry out paragraph (2) is insufficient to make such allotments, the Corporation shall make available sums from the 10 percent described in paragraph (1) for such fiscal year to make such allotments.

"(4) DEFINITION.—Notwithstanding section 101(26), for purposes of this subsection, the term 'State' means each of the several

States, the District of Columbia, the Commonwealth of Puerto Rico, and an Indian tribe.

"(c) REALLOTMENT.—If the Corporation determines that the allotment of a State or Indian tribe under this section will not be required for a fiscal year because the State or Indian tribe does not submit an application for the allotment under section 113 that meets the requirements of such section and such other requirements as the Director may determine to be appropriate, the Corporation shall, after making any grants under section 111A, make any remainder of such allotment available for reallocation to such other States, and Indian tribes, with approved applications submitted under section 113, as the Corporation may determine to be appropriate.

"(d) EXCEPTION.—Notwithstanding subsections (a) and (b), if less than \$20,000,000 is appropriated for any fiscal year to carry out this part, the Corporation shall award grants to States and Indian tribes, from the amount so appropriated, on a competitive basis to pay for the Federal share of the activities described in section 111.

"(e) PROGRAMS.—In awarding grants and making allotments under subsections (a), (b), and (d), from the sum appropriated to carry out this part for a fiscal year, the Corporation shall make available—

"(1) 75 percent of such sum for school-based programs; and

"(2) 25 percent of such sum for community-based programs.

"SEC. 113. STATE OR TRIBAL APPLICATIONS.

"(a) SUBMISSION.—To be eligible to receive a grant under section 112(b)(1), an allotment under subsection (a) or (b)(2) of section 112, a reallocation under section 112(c), or a grant under section 112(d), a State (acting through the State Commission) or an Indian tribe, shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the Director may reasonably require.

"(b) CONTENTS.—An application that is submitted under subsection (a) with respect to service-learning programs described in section 111 shall include—

"(1) information demonstrating that the programs will be carried out in a manner consistent with the strategic plan submitted for the State involved under section 178;

"(2) assurances that—

"(A) the applicant will keep such records and provide such information to the Corporation with respect to the programs as may be required for fiscal audits and program evaluation; and

"(B) the applicant will comply with the nonduplication and nondisplacement requirements of section 177; and

"(3) such additional information as the Director may reasonably require.

"SEC. 114. LOCAL APPLICATIONS.

"(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR SCHOOL-BASED OR COMMUNITY-BASED SERVICE-LEARNING PROGRAMS.—

"(1) IN GENERAL.—To be eligible to receive a grant under section 112(b)(1) in accordance with section 111B(a) to make grants relating to school-based or community-based service-learning programs described in section 111(a), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application.

"(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the Director may reasonably require. Such an application may include a proposal to assist such programs in more than 1 State.

"(b) DIRECT APPLICATION TO CORPORATION TO CARRY OUT SCHOOL-BASED OR COMMUNITY-BASED SERVICE-LEARNING PROGRAMS IN NON-PARTICIPATING STATES.—To be eligible to receive a grant from the Corporation in the circumstances described in section 111A to carry out an activity described in such section, an organization or partnership referred to in such section shall prepare, submit to the Corporation, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Director may reasonably require.

"(c) APPLICATION TO STATE OR INDIAN TRIBE TO RECEIVE ASSISTANCE TO CARRY OUT SCHOOL-BASED OR COMMUNITY-BASED SERVICE-LEARNING PROGRAMS.—

"(1) IN GENERAL.—A qualified organization or partnership that desires to receive financial assistance under this part from a State Commission, Indian tribe, or grantmaking entity, for activities described in section 111(a), shall prepare, submit to the State Commission, tribe, or entity, and obtain approval of, an application.

"(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the State Commission, tribe, or entity may reasonably require.

"(d) CONTENTS OF APPLICATION.—

"(1) REGULATIONS.—The Corporation shall by regulation establish standards for the information required to be contained in an application submitted under subsection (a) or (b).

"(2) ASSURANCES.—At a minimum, an application submitted under subsection (a) or (b) shall contain—

"(A) an assurance that the applicant will develop an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences;

"(B) an assurance that the applicant will comply with the nonduplication and nondisplacement requirements of section 177 and grievance procedure requirements of section 176(f); and

"(C) such other assurances as the Director may reasonably require.

"(e) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—No applicant shall submit an application under section 113 or this section, and the Corporation shall reject an application that is submitted under section 113 or this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

"SEC. 115. CONSIDERATION OF APPLICATIONS.

"(a) CRITERIA FOR APPLICATIONS.—In approving applications for financial assistance under subsection (a), (b), (c), or (d) of section 112, the Corporation shall consider such criteria with respect to sustainability, replicability, innovation, and quality of programs under this part as the Director may by regulation specify. In providing assistance under this part, a State Commission, Indian tribe, or grantmaking entity shall also consider such criteria.

"(b) PRIORITY FOR APPLICATIONS.—

"(1) IN GENERAL.—In providing assistance under this part, a State Commission or Indian tribe, or the Corporation if section 111A or 111B applies, shall give priority to entities that submit applications under section 114 with respect to service-learning programs described in section 111 that—

"(A) involve participants in the design and operation of the program;

"(B) are in the greatest need of assistance, such as programs targeting low-income areas; or

"(C) involve—

"(i) students from public elementary or secondary schools, and students from private elementary or secondary schools, serving together; or

"(ii) students of different ages, races, sexes, ethnic groups, disabilities, or economic backgrounds, serving together.

"(c) REGULATIONS.—The Corporation shall by regulation establish procedures and criteria (in addition to the criteria described in subsections (a) and (b)) for awarding grants in the circumstances described in sections 111A and 111B.

"(d) REJECTION OF APPLICATIONS.—If the Corporation rejects an application submitted under section 113 for an allotment under subsection (b)(2) of section 112, the Corporation shall promptly notify the applicant of the reasons for the rejection of the application. The Corporation shall provide the applicant with a reasonable opportunity to revise and resubmit the application and shall provide technical assistance, if needed, to the applicant as part of the resubmission process. The Corporation shall promptly reconsider such resubmitted application.

"SEC. 115A. PARTICIPATION OF STUDENTS AND TEACHERS FROM PRIVATE SCHOOLS.

"(a) IN GENERAL.—To the extent consistent with the number of students in the State or Indian tribe or in the school district of the local educational agency involved who are enrolled in private not-for-profit elementary and secondary schools, such State, Indian tribe, or agency shall consult with appropriate private school representatives and make provision—

"(1) for the inclusion of services and arrangements for the benefit of such students so as to allow for the equitable participation of such students in the programs implemented to carry out the objectives and provide the benefits described in this part; and

"(2) for the training of the teachers of such students so as to allow for the equitable participation of such teachers in the programs implemented to carry out the objectives and provide the benefits described in this part.

"(b) WAIVER.—If a State, Indian tribe, or local educational agency is prohibited by law from providing for the participation of students or teachers from private not-for-profit schools as required by subsection (a), or if the Corporation determines that a State, Indian tribe, or local educational agency substantially fails or is unwilling to provide for such participation on an equitable basis, the Director shall waive such requirements and shall arrange for the provision of services to such students and teachers. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with paragraphs (3) and (4) of section 1017(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2727(b)).

"SEC. 116. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

"(a) SHARE.—

"(1) IN GENERAL.—The Federal share attributable to this part of the cost of carrying out a program for which a grant or allotment is made under this part may not exceed—

"(A) 90 percent of the total cost of the program for the first year for which the program receives assistance under this part;

"(B) 80 percent of the total cost of the program for the second such year;

"(C) 70 percent of the total cost of the program for the third such year; and

"(D) 50 percent of the total cost of the program for the fourth such year, and for any subsequent such year.

"(2) REMAINING SHARE.—In providing for the remaining share of the cost of carrying out such a program, each recipient of assistance under this part—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or Federal sources (other than funds made available under the national service laws).

"(3) CALCULATION.—In calculating the cost of carrying out such a program, the recipient shall not include the costs of salaries and benefits of individuals who are participants or volunteers in any national service program or any volunteer program, other than a program under this part.

"(b) WAIVER.—The Director may waive the requirements of subsection (a) in whole or in part with respect to any such program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a demonstrated lack of available financial resources at the local level.

"(c) DEFINITION.—Notwithstanding section 101, as used in this section, the term 'national service laws' means the provisions specified in section 201(a) of the National Service and Community Volunteers Act of 1993.

"SEC. 116A. LIMITATIONS ON USES OF FUNDS.

"(a) ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to a State Commission, Indian tribe, or grantmaking entity that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to pay for administrative costs incurred by—

"(A) the original recipient; or

"(B) the entity carrying out the service-learning programs supported with the assistance.

"(2) RULES ON USE.—The Director may by rule prescribe the manner and extent to which—

"(A) such assistance may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient; and

"(ii) the entity carrying out the service-learning programs supported with the assistance.

"(b) CAPACITY-BUILDING ACTIVITIES.—Not less than 10 percent and not more than 20 percent of the amount of assistance provided to a State Commission, Indian tribe, or grantmaking entity that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year shall be used to build capacity through training, technical assistance, curriculum development, and coordination activities, described in section 111(a)(1).

"(c) FINANCIAL SUPPORT TO STUDENTS.—Funds made available under this part may not be used to pay any stipend, allowance, or other financial support to any student who is a participant under this part, except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this part.

"(d) PROHIBITION ON PAYMENTS FOR SALARIES AND BENEFITS.—No partnership or qualified organization may use funds made avail-

able under this subtitle to pay for the costs of salaries and benefits of individuals who are participants or volunteers in any national service program or any volunteer program, other than a program under this part.

"SEC. 116B. DEFINITIONS.

"As used in this part:

"(1) COMMUNITY-BASED SERVICE-LEARNING PROGRAM.—The term 'community-based service-learning program' means a service-learning program sponsored by a partnership that includes the entities described in section 111(b)(2)(B).

"(2) GRANTMAKING ENTITY.—The term 'grantmaking entity' means an organization described in section 111B(a).

"(3) QUALIFIED ORGANIZATION.—The term 'qualified organization' means an entity described in any of paragraphs (1) through (5) of section 111(c).

"(4) SCHOOL-BASED SERVICE-LEARNING PROGRAM.—The term 'school-based service-learning program' means a service-learning program sponsored by a partnership that includes the entities described in section 111(b)(2)(A).

"(5) STUDENT.—Notwithstanding section 101(28), the term 'student' means an individual who is enrolled in an elementary or secondary school on a full- or part-time basis."

(b) HIGHER EDUCATION INNOVATIVE PROJECTS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12531 et seq.) is amended by striking part II and inserting the following:

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"SEC. 119. HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE.

"(a) PURPOSE.—It is the purpose of this part to expand participation in community service by supporting innovative community service programs that enable institutions of higher education to act as civic institutions in meeting the human, educational, environmental, or public safety needs of neighboring communities.

"(b) GENERAL AUTHORITY.—The Corporation, in consultation with the Secretary of Education, is authorized to make grants to, and enter into contracts with, institutions of higher education (including a combination of such institutions), and partnerships comprised of such institutions and of other public agencies or not-for-profit private organizations, to pay for the Federal share of the cost of—

"(1) enabling such an institution or partnership to create or expand an organized community service program that—

"(A) engenders a sense of social responsibility and commitment to the community in which the institution is located; and

"(B) provides projects for participants, who shall be students, faculty, administration, or staff of the institution, or residents of the community;

"(2) supporting student-initiated and student-designed community service projects through the program;

"(3) facilitating the integration of community service carried out under the program into academic curricula, including integration of clinical programs into the curriculum for students in professional schools, so that students can obtain credit for their community service projects;

"(4) supplementing the funds available to carry out work-study programs under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.) to support service-learning and community service through the community service program;

"(5) strengthening the service infrastructure within institutions of higher education in the United States through the program; and

"(6) providing for the training of teachers, prospective teachers, related education personnel, and community leaders in the skills necessary to develop, supervise, and organize service-learning.

"(c) FEDERAL SHARE.—

"(1) SHARE.—

"(A) IN GENERAL.—The Federal share of the cost of carrying out a community service project for which a grant or contract is awarded under this part may not exceed 50 percent.

"(B) CALCULATION.—Each recipient of assistance under this part shall comply with paragraphs (2) and (3) of section 116(a).

"(2) WAIVER.—The Director may waive the requirements of paragraph (1), in whole or in part, as provided in section 116(b).

"(d) APPLICATION FOR GRANT.—

"(1) SUBMISSION.—To receive a grant or enter into a contract under this part, an institution or partnership described in subsection (b) shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the Director may reasonably require.

"(2) CONTENTS.—

"(A) REGULATIONS.—The Corporation shall by regulation establish standards for the information required to be contained in an application submitted under paragraph (1).

"(B) ASSURANCES.—At a minimum, such an application shall contain—

"(i) an assurance that the entity carrying out the program will develop an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences;

"(ii) an assurance that students and community members including service recipients shall be involved in the design and implementation of the program;

"(iii) an assurance that the program is consistent with the approved strategic plan submitted under section 178 by the State in which the program will be implemented;

"(iv) an assurance that the applicant will comply with the nonduplication and non-displacement provisions of section 177 and grievance procedure requirements of section 176(f); and

"(v) such other assurances as the Director may reasonably require.

"(e) DEFINITION.—Notwithstanding section 101(28), as used in this part, the term 'student' means an individual who is enrolled in an institution of higher education on a full- or part-time basis.

"PART III—GENERAL PROVISIONS

"SEC. 120. AVAILABILITY OF APPROPRIATIONS.

"Of the aggregate amount appropriated to carry out this subtitle for each fiscal year—

"(1) a sum equal to 80 percent of such aggregate amount shall be available to carry out part I; and

"(2) a sum equal to 20 percent of such aggregate amount shall be available to carry out part II."

(c) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle B of title I of such Act and inserting the following:

"Subtitle B—Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"Sec. 111. Authority to assist States and Indian tribes.

- "Sec. 111A. Authority to assist local applicants in nonparticipating States.
- "Sec. 111B. Authority to assist public or private not-for-profit organizations.
- "Sec. 112. Grants and allotments.
- "Sec. 113. State or tribal applications.
- "Sec. 114. Local applications.
- "Sec. 115. Consideration of applications.
- "Sec. 115A. Participation of students and teachers from private schools.
- "Sec. 116. Federal, State, and local contributions.
- "Sec. 116A. Limitations on uses of funds.
- "Sec. 116B. Definitions.

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

- "Sec. 119. Higher education innovative programs for community service.

"PART III—GENERAL PROVISIONS

- "Sec. 120. Availability of appropriations."

Subtitle C—National Service Programs

SEC. 121. FEDERAL INVESTMENT IN SUPPORT OF NATIONAL SERVICE.

(a) ASSISTANCE PROGRAM AUTHORIZED.—Subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12541 et seq.) is amended to read as follows:

"Subtitle C—National Service Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE.

"(a) PROVISION OF ASSISTANCE.—The Corporation may make grants to States, subdivisions of States, Indian tribes, public and private not-for-profit organizations, and institutions of higher education for the purpose of assisting the recipients of the grants—

"(1) to carry out full- or part-time national service programs, including summer programs, described in section 122(a); and

"(2) to make grants in support of other national service programs described in section 122(a) that are carried out by other entities.

"(b) AGREEMENTS WITH FEDERAL AGENCIES.—

"(1) IN GENERAL.—The Corporation may enter into a contract or cooperative agreement with another Federal agency to support a national service program carried out by the agency. The support provided by the Corporation pursuant to the contract or cooperative agreement may include the transfer to the Federal agency of funds available to the Corporation.

"(2) NONDUPLICATION.—A Federal agency that enters into a contract or cooperative agreement under paragraph (1) to support a national service program within a State—

"(A) shall consult with the State Commission serving the State to avoid duplication with any service program that is in existence in the State as of the date of the contract or cooperative agreement; and

"(B) shall, in an appropriate case, enter into a contract or cooperative agreement with an entity that is carrying out a service program described in subparagraph (A) that is of high quality, in order to support the national service program.

"(3) APPLICATION OF REQUIREMENTS.—A Federal agency receiving assistance under this subsection shall comply with the Federal share requirements of section 129(c)(2)(B). The supplementation requirements specified in section 173 shall apply with respect to the Federal National Service programs supported with such assistance.

"(c) LIMITATION ON ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to the original recipient of a grant or transfer of assistance under subsection (a) or (b) for a fiscal year may be used to pay for administrative costs incurred by—

"(A) the original recipient; or

"(B) the entity carrying out the national service programs supported with the assistance.

"(2) RULES ON USE.—The Director may by rule prescribe the manner and extent to which—

"(A) such assistance may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient; and

"(ii) the entity carrying out the national service programs supported with the assistance.

"(d) MATCHING FUNDS REQUIREMENTS.—

"(1) REQUIREMENTS.—Except as provided in section 129(c)(2)(B), the Federal share of the cost of carrying out a national service program that receives the assistance under subsection (a), whether the assistance is provided directly or as a subgrant from the original recipient of the assistance, may not exceed 75 percent of such cost.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out a national service program, a recipient of assistance under this subtitle—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service laws, including subtitles B, E, and H of title I, and title III, of the National and Community Service Act of 1990 (42 U.S.C. 12521 et seq., 12591 et seq., 12653 et seq., and 12661 et seq.), part B of title XI of the Higher Education Act of 1965 (20 U.S.C. 1137 et seq.), parts A and B of title I, section 124, and title II, of the Domestic Volunteer Service Act of 1973. (42 U.S.C. 4951 et seq., 4971 et seq., 4994, and 5000 et seq.), and Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the "Youth Conservation Corps Act of 1970").

"(3) WAIVER.—The Corporation may waive in whole or in part the requirements of paragraph (1) with respect to a national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a demonstrated lack of available financial resources at the local level.

"SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGIBLE FOR PROGRAM ASSISTANCE.

"(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—The recipient of a grant under section 121(a) and each Federal agency receiving assistance under section 121(b) shall use the assistance, directly or through subgrants to other entities, to carry out full- or part-time national service programs, including summer programs, that address unmet human, educational, environmental, or public safety needs. Subject to subsection (b)(1), these national service programs may include the following types of national service programs:

"(1) A community corps program that promotes greater community unity through the use of organized teams of participants of varied social and economic backgrounds, skill levels, physical capabilities, ages, ethnic backgrounds, or genders.

"(2) A full-time youth corps program carried out during the summer months or

throughout the full calendar year, such as a conservation corps or youth service corps (including a conservation corps or youth service corps that performs service on Federal or other public lands or on Indian lands), that—

"(A) undertakes meaningful full-time service projects with visible benefits to a community, including natural resource, urban renovation, or human services projects;

"(B) includes as participants youth and young adults between the ages of 16 and 25, inclusive, including out-of-school youth and other economically disadvantaged youth, and individuals with disabilities, who are between those ages; and

"(C) provides those participants who are youth and young adults with—

"(i) crew-based, highly structured, and adult-supervised work experience, life skills, education, career guidance and counseling, employment training, and support services; and

"(ii) the opportunity to develop citizenship values and skills through service to their community and the United States.

"(3) A program that provides specialized training to individuals in service-learning and places the individuals after such training in positions, including positions as service-learning coordinators, to facilitate service-learning in programs eligible for funding under part I subtitle B.

"(4) A service program that is targeted at specific unmet human, educational, environmental, or public safety needs and that—

"(A) recruits individuals with special skills or provides specialized preservice training to enable participants to be placed individually or in teams in positions in which the participants can meet such unmet needs; and

"(B) brings participants together for additional training and other activities designed to foster civic responsibility, increase the skills of participants, and improve the quality of the service provided.

"(5) An individualized placement program that includes regular group activities, such as leadership training and special service projects.

"(6) A campus-based program that is designed to provide substantial service in a community during the school term and during summer or other vacation periods through the use of—

"(A) students who are attending an institution of higher education, including students supported by work-study funds under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.);

"(B) teams composed of such students; or

"(C) teams composed of a combination of such students and community residents.

"(7) A preprofessional training program in which students enrolled in an institution of higher education—

"(A) receive training in specified fields, which may include classes containing service-learning;

"(B) perform service related to such training outside the classroom during the school term and during summer or other vacation periods; and

"(C) agree to provide at least 1 year of service upon graduation to meet unmet human, educational, environmental, or public safety needs related to such training.

"(8) A professional corps program that recruits and places qualified participants in positions—

"(A) as police officers, early childhood development staff, social workers, or other professionals providing service to meet educational, human, environmental, or public

safety needs in communities with an inadequate number of such professionals;

"(B) that may include a salary in excess of the maximum living allowance authorized in subsection (a)(3) of section 140, as provided in subsection (c) of such section; and

"(C) that are sponsored by public or private not-for-profit employers who agree to pay 100 percent of the salaries and benefits (other than any national service benefit under section 123 and the post-service benefits under section 146) of the participants.

"(9) A program in which economically disadvantaged individuals who are between the ages of 16 and 24 years of age, inclusive, are provided with opportunities to perform service that, while enabling such individuals to obtain the education and employment skills necessary to achieve economic self-sufficiency, will help their communities meet—

"(A) the housing needs of low-income families and the homeless; and

"(B) the need for community facilities in low-income areas.

"(10) A national service entrepreneur program that identifies, recruits, and trains gifted young adults of all backgrounds and assists such adults in designing solutions to community problems.

"(11) An intergenerational program that combines students, out-of-school youth, and older adults as participants to provide needed community services, including an intergenerational component of a national service program described in paragraphs (1) through (10), paragraph (12) or paragraph (13).

"(12) A program utilizing public school facilities, after regular school hours and during weekends and summers, to provide children in distressed communities with curriculum-based, supervised educational, recreational and cultural activities in safe and secure environments and to coordinate the delivery of social services to the children of the community.

"(13) A program to help communities adversely affected by the closure or realignment of a military installation, by converting the military installation, in whole or in part, to community use.

"(14) Such other national service programs addressing unmet human, educational, environmental, or public safety needs consistent with the strategic plan of the State Commission, if funded through the Commission, or consistent with the Corporation's strategic plan, if funded directly by the Corporation.

"(b) QUALIFICATION CRITERIA TO DETERMINE ELIGIBILITY.—

"(1) ESTABLISHMENT BY CORPORATION.—The Corporation shall establish qualification criteria for different types of national service programs for the purpose of determining whether a particular national service program should be considered to be a national service program eligible to receive assistance under this subtitle.

"(2) CONSULTATION.—In establishing qualification criteria under paragraph (1), the Corporation shall consult with organizations and individuals that have extensive experience in developing and administering effective national service programs.

"(3) APPLICATION TO SUBGRANTS.—The qualification criteria established by the Corporation under paragraph (1) shall also be used by each recipient of assistance under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs.

"(4) WAIVER.—With respect to a proposed national service program that does not meet the qualification criteria established under

paragraph (1), the Corporation may waive such criteria with respect to such program if the Corporation determines that such program is uniquely innovative in nature.

"(c) NATIONAL SERVICE PRIORITIES FOR THE CORPORATION.—

"(1) ESTABLISHMENT BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to otherwise achieve the purposes of this Act, the Corporation shall establish and periodically alter priorities regarding the types of national service programs to be assisted under section 129(c) and the purposes for which such assistance may be used.

"(2) NOTICE TO APPLICANTS.—The Corporation shall provide advance notice to potential applicants for assistance under 129(c) of any national service priorities to be in effect under this subsection for a fiscal year. The notice shall specifically include—

"(A) a description of any alteration made in the priorities since the previous notice; and

"(B) a description of the national service programs that are designated by the Corporation under section 133(d)(2) as eligible for priority consideration in the next competitive distribution of assistance under section 129(c).

"(3) REGULATIONS.—The Corporation shall by regulation establish procedures to ensure the equitable treatment of national service programs.

"(4) APPLICATION TO SUBGRANTS.—National service priorities established by the Corporation under this subsection shall be used by a recipient of funds under section 129(c) if that recipient uses any portion of such funds to conduct a grant program to support other national service programs.

"(5) ENCOURAGEMENT OF INTERGENERATIONAL COMPONENTS OF PROGRAMS.—The Corporation shall encourage national service programs eligible to receive assistance under this subtitle to establish, if consistent with the purposes of the program, an intergenerational component of the program that combines students, out-of-school youth, and older adults as participants.

"(d) STATE NATIONAL SERVICE POSITIONS.—

"(1) ESTABLISHMENT BY STATE COMMISSIONS.—In order to concentrate national and State efforts on meeting certain unmet human, educational, environmental, or public safety needs at the State and local level and to otherwise achieve the purposes of this Act, State Commissions shall establish and, through the 3-year strategic plan process described in section 178, periodically alter priorities regarding the types of national service programs to be assisted under section 129(a) and the purposes for which such assistance may be used.

"(2) NOTICE TO APPLICANTS.—The State Commission shall provide advance notice, to potential applicants to the State Commission for assistance received by the State Commission under section 129(a), of any national service priorities to be in effect under this paragraph for a fiscal year. The notice shall specifically include a description of any alteration made in the priorities since the previous notice.

"SEC. 123. DEMONSTRATION EFFORTS CONCERNING EDUCATIONAL OR OTHER POST-SERVICE BENEFITS.

"(a) ESTABLISHMENT.—The Corporation shall establish demonstration programs to determine the most effective and efficient means for implementing educational or other incentives necessary for a successful national service program.

"(b) TREATMENT OF PARTICIPANTS.—Participants in demonstration programs under subsection (a) shall be treated in the same manner as if such participants were participants in national service programs funded under this subtitle, except that such participants shall not be eligible for post-service benefits under section 141.

"(c) REPORT.—Not later than 18 months after the date of enactment of this subtitle, the Corporation shall prepare and submit to the appropriate committees of Congress a report concerning the results of the demonstration programs established under subsection (a), and a description of the knowledge derived from existing national service-related programs conducted by Federal or State governments, including recommendations for legislative action.

"SEC. 124. TYPES OF PROGRAM ASSISTANCE.

"(a) PLANNING ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the planning of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 9 months.

"(b) OPERATIONAL ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the establishment, operation, or expansion of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(c) REPLICATION ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the expansion of a proven national service program to another geographical location. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(d) APPLICATION TO SUBGRANTS.—The requirements of this section shall apply to any State or other applicant receiving assistance under section 121 that proposes to conduct a grant program using the assistance to support other national service programs.

"SEC. 125. OTHER SPECIAL ASSISTANCE.

"(a) SUPPORT FOR STATE COMMISSIONS.—

"(1) ASSISTANCE AUTHORIZED.—The Corporation shall make assistance available to assist a State to establish or operate the State Commission required to be established by the State under section 178.

"(2) AMOUNT OF ASSISTANCE.—The amount of assistance that may be provided to a State Commission under this subsection, together with other Federal funds available to establish or operate the State Commission, may not exceed—

"(A) 75 percent of the total cost to establish or operate the State Commission for the first year for which the State Commission receives assistance under this subsection; and

"(B) such smaller percentage of such cost as the Corporation may establish for the second, third, and fourth years of such assistance in order to ensure that the Federal share does not exceed 50 percent of such costs for the fifth year, and any subsequent year, for which the State Commission receives assistance under this subsection.

"(b) DISASTER SERVICE.—The Corporation may undertake activities, including activities carried out under part A of title I of the

Domestic Volunteer Service Act of 1973, to involve programs that receive assistance under the national service laws in disaster relief efforts.

“(C) CHALLENGE GRANTS FOR NATIONAL SERVICE PROGRAMS.—

“(1) IN GENERAL.—The Corporation may award challenge grants under this subsection to national service programs that receive assistance under section 121.

“(2) CRITERIA.—The Corporation shall develop criteria for the selection of recipients of challenge grants under paragraph (1), so as to make the grants widely available to a variety of programs that—

“(A) are high-quality national service programs; and

“(B) are carried out by entities with demonstrated experience in establishing and implementing projects that provide benefits to participants and communities.

“(3) AMOUNT OF ASSISTANCE.—A challenge grant under this subsection may provide not more than \$1 of assistance under this subsection for each \$1 in cash raised by the national service program from private sources in excess of amounts required to be provided by the program to satisfy matching funds requirements under section 121(e). The Corporation shall establish a ceiling on the amount of assistance that may be provided to a national service program under this subsection.

“PART II—APPLICATION AND APPROVAL PROCESS

“SEC. 129. PROVISION OF ASSISTANCE BY COMPETITIVE AND OTHER MEANS.

“(a) ALLOTMENTS OF ASSISTANCE TO STATES AND INDIAN TRIBES.—

“(1) 50 PERCENT ALLOTMENT OF ASSISTANCE.—Of the funds allocated by the Corporation for the provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall make a grant under section 121(a) to each of the several States (through the State Commission of the State), the District of Columbia, and the Commonwealth of Puerto Rico that has an application approved by the Corporation under section 133. The amount allotted as a grant to each such State under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 50 percent of the allocated funds for that fiscal year as the population of the State bears to the total population of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

“(2) ONE PERCENT ALLOTMENT OF ASSISTANCE.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to Indian tribes, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted by the Corporation on a competitive basis in accordance with their respective needs. Palau shall also be eligible for a grant under this paragraph from the 1 percent allotment until such time as the Compact of Free Association with Palau is ratified.

“(3) ALLOTMENT OF ASSISTANCE FOR NATIVE HAWAIIANS.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve .2 percent of the allocated funds for grants under section 121(a) to Native Hawaiian entities, to be allotted by the Corporation on a competitive basis in accordance with their respective needs. The requirements of this subtitle

shall apply to such an entity in the same manner, and to the same extent, as such requirements apply to an Indian tribe.

“(4) EFFECT OF FAILURE TO APPLY.—If a State or Indian tribe fails to apply for, or fails to give notice to the Corporation of its intent to apply for, an allotment under this subsection, the Corporation shall use the amount that would have been allotted under this subsection to the State or Indian tribe—

“(A) to make grants to other eligible entities under section 121 that propose to carry out national service programs in the State or on behalf of the Indian tribe; and

“(B) after making grants under paragraph (1), to make a reallocation to other States and Indian tribes with approved applications under section 130.

“(b) RESERVATION FOR SPECIAL ASSISTANCE.—Subject to section 501(a)(2), of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation may not reserve more than \$10,000,000, or 1 percent of such funds, whichever is less, for a fiscal year for challenge grants under section 125(c).

“(c) COMPETITIVE DISTRIBUTION OF REMAINING FUNDS.—

“(1) STATE COMPETITION.—Of the funds allocated by the Corporation for the provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall use not less than 30 percent of the allocated funds to make grants to States (through the State Commissions) on a competitive basis under section 121(a).

“(2) FEDERAL AGENCIES AND OTHER APPLICANTS.—

“(A) IN GENERAL.—The Corporation shall distribute on a competitive basis to subdivisions of States (through the State Commissions), Indian tribes, public and private not-for-profit organizations, institutions of higher education, and Federal agencies the remainder of the funds allocated by the Corporation for the provision of assistance under section 121 for a fiscal year, after the operation of paragraph (1) and subsections (a) and (b).

“(B) FEDERAL SHARE.—Notwithstanding section 121(e), if a Federal agency proposes to carry out a national service program using funds made available under subparagraph (A), and the Federal agency is authorized to use funds made available under Federal law (other than the national service laws, including subtitles B, E, and H of title I, and title III, of the National and Community Service Act of 1990 (42 U.S.C. 12521 et seq., 12591 et seq., 12653 et seq., and 12661 et seq.), part B of title XI of the Higher Education Act of 1965 (20 U.S.C. 1137 et seq.), parts A and B of title I, section 124, and title II, of the Domestic Volunteer Service Act of 1973. (42 U.S.C. 4951 et seq., 4971 et seq., 4994, and 5000 et seq.), and Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the “Youth Conservation Corps Act of 1970”) to carry out such a program, the Federal share attributable to this paragraph of the cost of carrying out the national service program shall be 50 percent of such cost. The Director may by regulation specify the sources that may be used by the Federal agency to provide for the remaining share of such cost.

“(C) FEDERAL AGENCIES.—The Corporation may not distribute more than 30 percent of such remainder to Federal agencies for a fiscal year under subparagraph (A).

“(D) LIMITATIONS.—The Corporation shall limit the categories of eligible applicants for assistance under this paragraph consistent with the priorities established by the Corporations under section 133(d)(2).

“(d) APPLICATION REQUIRED.—The allotment of assistance to a State or an Indian tribe under subsection (a), and the competitive distribution of assistance under subsection (c), shall be made by the Corporation only pursuant to an application submitted by a State or other applicant under section 130 and approved by the Corporation under section 133.

“SEC. 130. APPLICATION FOR ASSISTANCE.

“(a) TIME, MANNER, AND CONTENT OF APPLICATION.—To be eligible to receive assistance under section 121 for participants who serve in the national service programs to be carried out using the assistance, a State, subdivision of a State, Indian tribe, public or private not-for-profit organization, institution of higher education, or Federal agency shall prepare and submit to the Corporation an application at such time, in such manner, and containing such information as the Corporation may reasonably require.

“(b) TYPES OF APPLICATION INFORMATION.—In order to have adequate information upon which to consider an application under section 133, the Corporation shall by regulations establish requirements with respect to the content of applications submitted under this section. Such requirements shall specify that such an application shall contain information demonstrating that the programs will be carried out in a manner consistent with the strategic plan submitted for the State involved under section 178.

“(c) SPECIAL RULE FOR STATE APPLICANTS.—

“(1) SUBMISSION BY STATE COMMISSION.—The application of a State for a grant under section 121(a) shall be submitted by the State Commission.

“(2) COMPETITIVE SELECTION.—The application of a State shall contain an assurance that all assistance provided under section 121(a) to the State will be used to support national service programs that were selected by the State on a competitive basis.

“(3) ASSISTANCE TO NONSTATE ENTITIES.—The application of a State shall also contain an assurance that not less than 70 percent of the assistance provided under section 121(a) will be used to make grants in support of national service programs other than national service programs carried out by a State agency. The Corporation may permit a State to deviate from the percentage specified by this paragraph if the State has not received a sufficient number of acceptable applications to comply with the percentage.

“(d) SPECIAL RULE FOR CERTAIN SERVICE SPONSORS.—In the case of an applicant that proposes to serve as the service sponsor, the application shall include the written concurrence of any local labor organization representing employees of the applicant who are engaged in the same or substantially similar work as that proposed to be carried out.

“(e) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—The Corporation shall reject an application submitted under this section if a project proposed to be conducted using assistance requested by the applicant is already described in another application pending before the Corporation.

“(f) PRIORITIES.—An application submitted under this section shall include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will use the State priorities established under section 122(d).

"SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE REQUIREMENTS.

"(a) **IMPACT ON COMMUNITIES.**—An application submitted under section 130 shall include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) address unmet human, educational, environmental, or public safety needs through services that provide a direct benefit to the community in which the service is performed;

"(2) comply with the nonduplication and nondisplacement requirements of section 177; and

"(3) be consistent with the State or Corporation strategic plan (based on the funding source utilized).

"(b) **IMPACT ON PARTICIPANTS.**—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide participants in the national service program with the training, skills, and knowledge necessary for the projects that participants are called upon to perform;

"(2) as appropriate, provide support services to participants, such as the provision of information and support—

"(A) to those participants who are completing a term of service and making the transition to other educational and career opportunities; and

"(B) to those participants who are school dropouts in order to assist those participants in earning the equivalent of a high school diploma; and

"(3) place participants in a national service program who are receiving benefits or assistance under any Federal, State or local program financed in whole or in part with Federal funds in positions which provide education, career training, and job specific skills necessary for gainful employment.

"(c) **CONSULTATION.**—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide in the design, recruitment, and operation of the program for broad-based input from the community served, individuals eligible to serve as participants in the program, community-based agencies with a demonstrated record of experience in providing services, and local labor organizations representing employees of service sponsors; and

"(2) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

"(d) **EVALUATION AND PERFORMANCE GOALS.**—

"(1) **IN GENERAL.**—An application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(A) arrange for an independent evaluation of any national service program carried out using assistance provided to the applicant under section 121;

"(B) develop measurable performance goals and evaluation methods (such as the use of

surveys of participants and persons served), which are to be used as part of such evaluation to determine the impact of the program—

"(i) on communities and persons served by the projects performed by the program;

"(ii) on participants who take part in the projects; and

"(iii) in such other areas as the Corporation may require; and

"(C) cooperate with any evaluation activities undertaken by the Corporation.

"(2) **ALTERNATIVE EVALUATION REQUIREMENTS.**—The Corporation may establish alternative evaluation requirements for national service programs based upon the amount of assistance received under section 121 or received by a grant made by a recipient of assistance under such section. The determination of whether a national service program is covered by this paragraph shall be made in such manner as the Corporation may prescribe.

"(e) **LIVING ALLOWANCES AND OTHER IN-SERVICE BENEFITS.**—Except as provided in section 140(c), an application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(1) provide a living allowance and other benefits specified in section 140 to participants in any national service program carried out by the applicant using assistance provided under section 121; and

"(2) require that each national service program that receives a grant from the applicant using such assistance will also provide a living allowance and other benefits specified in section 140 to participants in the program.

"(f) **SELECTION OF PARTICIPANTS FROM INDIVIDUALS RECRUITED BY CORPORATION OR STATE COMMISSIONS.**—The Corporation may also require an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 129(c)(2) and any national service program supported by a grant made by the applicant using such assistance will select a portion of the participants for the program from among prospective participants recruited by the Corporation or State Commissions under section 138(d). Applicants awarded grants under subsection (a) or (c)(1) of section 129 may select participants from among prospective participants recruited by the Corporation under section 138(d).

"SEC. 132. INELIGIBLE SERVICE CATEGORIES.

"An application submitted to the Corporation under section 130 shall include an assurance by the applicant that any national service program carried out using assistance provided under section 121 provided to an applicant will not be used to perform service that provides a direct benefit to any—

"(1) business organized for profit;

"(2) labor union;

"(3) partisan political organization;

"(4) organization engaged in religious activities, unless such service does not involve the use of assistance provided under section 121 or participants to give religious instruction, conduct worship services, or engage in any form of proselytization; or

"(5) organization whose primary purpose is to influence public policies or engage in legislative advocacy activities.

"SEC. 133. CONSIDERATION OF APPLICATIONS.

"(a) **CORPORATION CONSIDERATION OF CERTAIN CRITERIA.**—The Corporation shall apply the criteria described in subsections (c) and (d) in determining whether to approve an application submitted under section 130 and

provide assistance under section 121 to the applicant.

"(b) **APPLICATION TO SUBGRANTS.**—A State or other entity that uses assistance provided under section 121(a) to support national service programs selected on a competitive basis to receive a share of the assistance shall use the criteria described in subsections (c) and (d) when considering an application submitted by a national service program to receive a portion of such assistance. The application of the State or other entity under section 130 shall contain—

"(1) a certification that the State or other entity complied with these criteria in the selection of national service programs to receive assistance;

"(2) a description of the jobs or positions into which participants will be placed using such assistance, including descriptions of specific tasks to be performed by such participants; and

"(3) a description of the minimum qualifications which individuals shall meet to become participants in such programs.

"(c) **ASSISTANCE CRITERIA.**—The criteria required to be applied in evaluating applications submitted under section 130 are as follows:

"(1) The quality of the national service program proposed to be carried out directly by the applicant or supported by a grant from the applicant.

"(2) The innovative aspects of the national service program, and the feasibility of replicating the program.

"(3) The sustainability of the national service program, based on evidence such as the existence—

"(A) of strong and broad-based community support for the program; and

"(B) of multiple funding sources or private funding for the program.

"(4) The quality of the leadership of the national service program, the past performance of the program, and the extent to which the program builds on existing programs.

"(5) The extent to which participants of the national service program are recruited from among residents of the communities in which projects are to be conducted, and the extent to which participants and community residents are involved in the design, leadership, and operation of the program.

"(6) The extent to which projects would be conducted in areas where such projects are needed most, such as—

"(A) communities designated as enterprise zones or redevelopment areas, targeted for special economic incentives, or otherwise identifiable as having high concentrations of low-income people;

"(B) areas that are environmentally distressed; or

"(C) areas adversely affected by reductions in defense spending or the closure or realignment of military installations.

"(7) In the case of applicants other than States, the extent to which the application is consistent with the application under section 130 of the State in which the projects would be conducted.

"(8) Such other criteria as the Corporation considers to be appropriate.

"(d) **OTHER CONSIDERATIONS.**—

"(1) **GEOGRAPHIC DIVERSITY.**—The Corporation shall ensure that recipients of assistance provided under section 121 are geographically diverse and include projects to be conducted in those urban and rural areas in a State with the highest rates of poverty.

"(2) **PRIORITIES.**—The Corporation may designate, under such criteria as may be established by the Corporation, certain national

service programs or types of national service programs described in section 122(a) for priority consideration in the competitive distribution of funds under section 129(c).

"(3) REVIEW PANEL.—The Director shall establish panels of experts and practitioners for the purpose of securing recommendations on applications submitted under section 130 for more than \$100,000 in assistance and consider the opinions of such panels prior to making such determinations.

"(e) REJECTION OF STATE APPLICATIONS.—

"(1) NOTIFICATION OF STATE APPLICANTS.—If the Corporation rejects an application submitted by a State Commission under section 130 for funds described in section 129(a)(1), the Corporation shall promptly notify the State Commission of the reasons for the rejection of the application.

"(2) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State Commission notified under paragraph (1) with a reasonable opportunity to revise and resubmit the application. At the request of the State Commission, the Corporation shall provide technical assistance to the State Commission as part of the resubmission process. The Corporation shall promptly reconsider an application resubmitted under this paragraph.

"(3) REALLOTMENT.—The amount of any State's allotment under section 129(a) for a fiscal year that the Corporation determines will not be used for that fiscal year shall be available for distribution by the Corporation as provided in paragraph (4) of such subsection.

"PART III—NATIONAL SERVICE PARTICIPANTS

"SEC. 137. DESCRIPTION OF PARTICIPANTS.

"(a) IN GENERAL.—For purposes of this subtitle, an individual shall be considered to be a participant in a national service program carried out using assistance provided under section 121 if the individual—

"(1) meets minimal eligibility requirements, directly related to the tasks to be accomplished, established by the program;

"(2) is selected by the program to serve in a position with the program;

"(3) will serve in the program for a term of service specified in section 139;

"(4) is 17 years of age or older at the time the individual begins the term of service;

"(5)(A)(i) has received a high school diploma or its equivalent; or

"(ii) agrees to obtain a high school diploma or its equivalent and the individual did not drop out of an elementary or secondary school to enroll in the program; or

"(B)(i) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of section 484(d) of the Higher Education Act of 1965 (20 U.S.C. 1091(d)); and

"(ii) meets the requirements of section 484(a) of such Act; and

"(6) is a citizen of the United States or lawfully admitted for permanent residence.

"(b) SPECIAL RULES FOR CERTAIN YOUTH PROGRAMS.—An individual shall be considered to be a participant in a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9) that is carried out with assistance provided under section 121(a) if the individual—

"(1) satisfies the requirements specified in subsection (a), except paragraph (4) of such subsection; and

"(2) is between the ages of 16 and 25, inclusive, at the time the individual begins the term of service.

"(c) WAIVER.—The Corporation may waive the requirements of subsection (a)(5)(A) with

respect to an individual if the program in which the individual seeks to become a participant conducts an independent evaluation demonstrating that the individual is incapable of obtaining a high school diploma or its equivalent.

"SEC. 138. SELECTION OF NATIONAL SERVICE PARTICIPANTS.

"(a) SELECTION PROCESS.—Subject to subsections (b) and (c) and section 131(f), the actual recruitment and selection of an individual to serve in a national service program receiving assistance under section 121 shall be conducted by the State, subdivision of a State, Indian tribe, public or private not-for-profit organization, institution of higher education, Federal agency, or other entity to which the assistance is provided.

"(b) NONDISCRIMINATION AND NONPOLITICAL SELECTION OF PARTICIPANTS.—The recruitment and selection of individuals to serve in national service programs receiving assistance under section 121 shall be consistent with the requirements of section 175.

"(c) SECOND TERM.—Acceptance into a national service program to serve a second term of service under section 139 shall only be available to an individual who performs satisfactorily in the first term of service of such individual.

"(d) RECRUITMENT AND PLACEMENT.—The Corporation and each State Commission may establish a system to recruit individuals who desire to perform national service and to assist the placement of these individuals. The Corporation and State Commissions shall widely disseminate information regarding available national service opportunities.

"SEC. 139. TERMS OF SERVICE.

"(a) IN GENERAL.—A participant in a national service program shall be required to perform full- or part-time national service for at least one term of service specified in subsection (b).

"(b) TERM OF SERVICE.—

"(1) FULL-TIME SERVICE.—An individual performing full-time national service in a national service program shall agree to participate in the program for not less than 1,700 hours during a period of not less than 9 months and not more than 1 year.

"(2) PART-TIME SERVICE.—An individual performing part-time national service in a national service program shall agree to participate in the program for not less than 1,700 hours during a period of—

"(A) not less than 1 year nor more than 2 years; or

"(B) not less than 1 year nor more than 3 years if the individual is enrolled in an institution of higher education while performing all or a majority of the hours of such service.

"(c) RELEASE FROM COMPLETING TERM OF SERVICE.—

"(1) RELEASE AUTHORIZED.—A recipient of assistance under section 121 may release a participant from completing a term of service in the program—

"(A) for compelling personal circumstances as demonstrated by the participant; or

"(B) for cause.

"(2) EFFECT OF RELEASE.—If the released participant was serving in a national service program which included post-service benefits, the participant may receive that portion of those benefits that corresponds to the quantity of the term of service actually completed by the individual, except that a participant released for cause may not receive any portion of a post-service benefit.

"SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE PARTICIPANTS.

"(a) PROVISION OF LIVING ALLOWANCE.—

"(1) LIVING ALLOWANCE PERMITTED.—Subject to paragraph (3), a national service program carried out using assistance provided under section 121 shall provide to each participant in the program a living allowance in such an amount as may be established by the program.

"(2) LIMITATION ON FEDERAL SHARE.—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under section 121 and using any other Federal funds shall not exceed the lesser of—

"(A) 85 percent of the prevailing minimum wage (which in no event may be less than the applicable minimum wage under section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206)) in the area in which the program is being conducted; and

"(B) 85 percent of the annual living allowance established by the national service program involved.

"(3) MAXIMUM LIVING ALLOWANCE.—Except as provided in subsection (c), the total amount of an annual living allowance that may be provided to a participant in a national service program shall not exceed 150 percent of the prevailing minimum wage (which in no event may be less than the applicable minimum wage under section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206)) in the area in which the program is being conducted.

"(4) PRORATION OF LIVING ALLOWANCE.—The amount provided as a living allowance under this subsection shall be prorated in the case of a participant who is authorized to serve a reduced term of service under section 139(b)(3).

"(5) CHOICE BETWEEN BENEFITS.—Individuals receiving benefits or assistance under any Federal, State, or local program financed in whole or in part with Federal funds, at the time of enrollment in a national service program, shall choose between receiving the living allowance under this subsection (which shall be taken into account in determining continued eligibility for such assistance) and other benefits provided to national service participants (in lieu of the Federal, State, or local governmental benefits) or a cash allowance of \$250 per month for full-time participation and \$125 per month for part-time participation, which shall not be taken into account in determining the need or eligibility of any person for benefits or assistance or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds.

"(b) COVERAGE OF CERTAIN EMPLOYMENT-RELATED TAXES.—To the extent a national service program that receives assistance under section 121 is subject, with respect to the participants in the program, to the taxes imposed on an employer under sections 3111 and 3301 of the Internal Revenue Code of 1986 (26 U.S.C. 3111, 3301) and taxes imposed on an employer under a workmen's compensation act, the assistance provided to the program under section 121 shall include an amount sufficient to cover 85 percent of such taxes based upon the lesser of—

"(1) the prevailing minimum wage (which in no event may be less than the applicable minimum wage under section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206)) in the area in which the program is being conducted; and

"(2) the annual living allowance established by the program.

"(c) PROFESSIONAL CORPS.—With respect to a State or other recipient of assistance under section 121 that desires to place a professional corps member, as described in section

122(a)(8), in a position in a national service program, the allocation of Federal funds described in subsection (a)(2)(A) for the position shall be made under regulations developed by the Corporation which are consistent with those applicable to allocation procedures of professional corps programs determined by the Corporation to be similar (such as the Teacher Corps, the Public Health Service Corps or the Police Corps).

"(d) HEALTH INSURANCE.—A State or other recipient of assistance under section 121 shall provide a basic health care policy for each full-time participant in a national service program carried out or supported using the assistance if the participant is not otherwise covered by a health care policy. Not more than 85 percent of the cost of a premium shall be provided by the Corporation, with the remaining cost paid by the entity receiving assistance under section 121. The Corporation shall establish minimum standards that all plans shall meet in order to qualify for payment under this part, any circumstances in which an alternative health care policy may be substituted for the basic health care policy, and mechanisms to prohibit participants from dropping existing coverage.

"(e) CHILD CARE.—

"(1) AVAILABILITY.—A State or other recipient of assistance under section 121 shall—

"(A) make child care available for children of each full-time participant who needs child care in order to participate in the national service program carried out or supported by the recipient using the assistance; or

"(B) provide a child care allowance to each full-time participant in a national service program who needs such assistance in order to participate in the program.

"(2) GUIDELINES.—The Corporation shall establish guidelines regarding the circumstances under which child care must be made available under this subsection and the value of any allowance to be provided.

"(f) WAIVER OF LIMITATION ON FEDERAL SHARE.—The Corporation may waive in whole or in part the limitation on the Federal share specified in this section with respect to a particular national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a demonstrated lack of available financial resources at the local level as demonstrated through documented efforts submitted to the Corporation.

"SEC. 141. POST-SERVICE STIPENDS.

"(a) PART-TIME.—

"(1) FEDERAL SHARE.—The Corporation shall annually provide to each part-time participant a nontransferable post-service benefit that is equal in value to \$750 for each year of service that such participant provides to the program.

"(2) WAIVER.—A State may apply for a waiver to reduce the amount of the post-service benefit to an amount that is equal to not less than the average annual tuition and required fees at 4-year public institutions of higher education within such State.

"(3) CONSTRUCTION.—Nothing in this subsection shall be construed to prevent a State from using funds made available from non-Federal sources to increase the amount of post-service benefits provided under paragraph (1) to an amount in excess of that described in such paragraph.

"(b) FULL-TIME.—

"(1) FEDERAL SHARE.—The Corporation shall annually provide to each full-time participant a nontransferable post-service benefit for each year of service that such participant provides to the program, which benefit

shall be equal in value to \$1,500 for each such year.

"(2) STATE SHARE.—A State may apply for a waiver to reduce the amount of the post-service benefit to an amount that is equal to not less than the average annual tuition, required fees, and room and board costs at 4-year public institutions of higher education within such State.

"(3) CONSTRUCTION.—Nothing in this subsection shall be construed to prevent a State from using funds made available from non-Federal sources to increase the amount of post-service benefits provided under paragraph (1) to an amount in excess of that described in such paragraph.

"(c) POST-SERVICE BENEFIT.—

"(1) PART-TIME.—A post-service benefit provided under subsection (a) shall only be used for—

"(A) payment of a student loan from Federal or non-Federal sources;

"(B) tuition at an institution of higher education on a full-time basis, or to pay the expenses incurred in the full-time participation in an apprenticeship program approved by the appropriate State agency; or

"(C) any other educational purpose determined appropriate by the Corporation.

"(2) FULL-TIME.—A post-service benefit provided under subsection (b) shall only be used for—

"(A) payment of a student loan from Federal or non-Federal sources;

"(B) tuition, room and board, books and fees, and other costs associated with the cost of attendance (pursuant to section 472 of the Higher Education Act of 1965 (20 U.S.C. 108711)) at an institution of higher education on a full-time basis, or to pay the expenses incurred in the full-time participation in an apprenticeship program approved by the appropriate State agency; or

"(C) any other educational purpose determined appropriate by the Corporation.

"(d) REGULATION.—The Director shall by regulation specify procedures for the disbursement of post-service benefits provided under this section."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle C of title I of such Act and inserting the following new items:

"Subtitle C—National Service Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"Sec. 121. Authority to provide assistance.

"Sec. 122. Types of national service programs eligible for program assistance.

"Sec. 123. Demonstration efforts concerning educational or other post-service benefits.

"Sec. 124. Types of program assistance.

"Sec. 125. Other special assistance.

"PART II—APPLICATION AND APPROVAL PROCESS

"Sec. 129. Provision of assistance by competitive and other means.

"Sec. 130. Application for assistance.

"Sec. 131. National service program assistance requirements.

"Sec. 132. Ineligible service categories.

"Sec. 133. Consideration of applications.

"PART III—NATIONAL SERVICE PARTICIPANTS

"Sec. 137. Description of participants.

"Sec. 138. Selection of national service participants.

"Sec. 139. Terms of service.

"Sec. 140. Living allowances for national service participants.

"Sec. 141. Post-service stipends."

SEC. 122. TRANSITION.

With respect to national service programs (as defined in section 101(15) of the National and Community Service Act of 1990) established under the provisions referred to in section 201(a), individuals who become participants in such programs after the date of enactment of this Act shall be eligible to use the post-service benefits to which such participants are eligible under such provisions only for the uses described in section 141(c)(2) of the National and Community Service Act of 1990 (as amended by this Act).

Subtitle D—Quality and Innovation

SEC. 131. QUALITY AND INNOVATION ACTIVITIES.

(a) REPEAL.—Subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) is repealed.

(b) INVESTMENT FOR QUALITY AND INNOVATION.—Title I of the National and Community Service Act of 1990 is amended by inserting after subtitle C (42 U.S.C. 12541 et seq.) the following new subtitle:

"Subtitle D—Investment for Quality and Innovation

"SEC. 145. ADDITIONAL CORPORATION ACTIVITIES TO SUPPORT NATIONAL SERVICE AND VOLUNTEER PROGRAMS.

"(a) METHODS OF CONDUCTING ACTIVITIES.—The Corporation may carry out this section directly or through grants, contracts, and cooperative agreements with other entities.

"(b) INNOVATION AND QUALITY IMPROVEMENT.—The Corporation may undertake activities to improve the quality of national service and volunteer programs and to support innovative and model programs, including the provision of training and technical assistance to—

"(1) service sponsors, including community-based agencies, that provide placements of participants and other volunteers, in order to improve the ability of such sponsors and agencies to use participants and other volunteers in a manner that results in high quality service and a positive service experience for the participants and volunteers; and

"(2) individuals, programs, State agencies, State Commissions, local governments, local educational agencies, community-based agencies, and other entities to enable them to apply for funding from the Corporation, to conduct high quality programs, to evaluate such programs, and for other purposes.

"SEC. 146. CLEARINGHOUSES.

"(a) ASSISTANCE.—The Corporation shall provide assistance to appropriate entities to establish one or more clearinghouses.

"(b) APPLICATION.—To be eligible to receive assistance under subsection (a), an entity shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

"(c) FUNCTION OF CLEARINGHOUSES.—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local national service programs or volunteer programs (including service-learning programs);

"(2) conduct research and evaluations;

"(3) provide leadership development and training to appropriate persons;

"(4) facilitate communication among appropriate persons;

"(5) provide information, curriculum materials, and technical assistance to appropriate entities;

"(6) gather and disseminate information;

"(7) coordinate the activities of the clearinghouse with appropriate entities to avoid duplication of effort;

"(8) make recommendations to appropriate entities on quality controls to improve the delivery of services; and

"(9) carry out such other activities as the Director determines to be appropriate."

(c) **QUALITY AND INNOVATION.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle D of title I of such Act and inserting the following:

"Subtitle D—Investment for Quality and Innovation

"Sec. 145. Additional corporation activities to support national service and volunteer programs.

"Sec. 146. Clearinghouses."

Subtitle E—Civilian Community Corps

SEC. 141. CIVILIAN COMMUNITY CORPS.

(a) **REPEAL AND TRANSFER.**—

(1) **REPEAL.**—Subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12591 et seq.) is repealed.

(2) **TRANSFER.**—Title I of the National and Community Service Act of 1990 is amended—

(A) by redesignating subtitle H (42 U.S.C. 12653 et seq.) as subtitle E;

(B) by inserting subtitle E (as redesignated by subparagraph (A) of this paragraph) after subtitle D; and

(C) by redesignating sections 195 through 195O as sections 151 through 166, respectively.

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) **NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.**—

(A) Section 1091(f)(2) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) is amended by striking "195G" and inserting "158".

(B) Paragraphs (1) and (2) of section 1092(b), and sections 1092(c), 1093(a), and 1094(a) of such Act are amended by striking "195A" and inserting "152".

(C) Sections 1091(f)(2), 1092(b)(1), and 1094(a), and subsections (a) and (c) of section 1095 of such Act are amended by striking "subtitle H" and inserting "subtitle E".

(D) Section 1094(b)(1) and subsections (b) and (c)(1) of section 1095 of such Act are amended by striking "subtitles B, C, D, E, F, and G" and inserting "subtitles B, C, D, F, and G".

(2) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—

(A) Section 153(a) of the National and Community Service Act of 1990 (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653b(a)) is amended by striking "195A(a)" and inserting "152(a)".

(B) Section 154(a) of such Act (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653c(a)) is amended by striking "195A(a)" and inserting "152(a)".

(C) Section 155 of such Act (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653d) is amended—

(i) in subsection (a), by striking "195H(c)(1)" and inserting "159(c)(1)";

(ii) in subsection (c)(2), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

(iii) in subsection (d)(3), by striking "195K(a)(3)" and inserting "162(a)(3)".

(D) Section 156 of such Act (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653e) is amended—

(i) in subsection (c)(1), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

(ii) in subsection (d), by striking "195K(a)(3)" and inserting "162(a)(3)".

(E) Section 159 of such Act (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653h) is amended—

(i) in subsection (a)—

(I) in the matter preceding paragraph (1), by striking "195A" and inserting "152"; and

(II) in paragraph (2), by striking "195" and inserting "151"; and

(ii) in subsection (c)(2)(C)(i), by striking "195K(a)(2)" and inserting "section 162(a)(2)".

(F) Section 161(b)(1)(B) of such Act (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653j(b)(1)(B)) is amended by striking "195K(a)(3)" and inserting "162(a)(3)".

(G) Section 162(a)(2)(A) of such Act (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653k(a)(2)(A)) is amended by striking "195(3)" and inserting "151(3)".

(H) Section 166 of such Act (as redesignated in subsection (a)(2)(C) of this section) (42 U.S.C. 12653o) is amended—

(i) in paragraph (2), by striking "195D" and inserting "155";

(ii) in paragraph (8), by striking "195A" and inserting "152";

(iii) in paragraph (10), by striking "195D(d)" and inserting "155(d)"; and

(iv) in paragraph (11), by striking "195D(c)" and inserting "155(c)".

(c) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle E of title I of such Act and inserting the following:

"Subtitle E—Civilian Community Corps

"Sec. 151. Purpose.

"Sec. 152. Establishment of Civilian Community Corps Demonstration Program.

"Sec. 153. National service program.

"Sec. 154. Summer national service program.

"Sec. 155. Civilian Community Corps.

"Sec. 156. Training.

"Sec. 157. Service projects.

"Sec. 158. Authorized benefits for Corps personnel under Federal law.

"Sec. 159. Administrative provisions.

"Sec. 160. Status of Corps members and Corps personnel under Federal law.

"Sec. 161. Contract and grant authority.

"Sec. 162. Responsibilities of other departments.

"Sec. 163. Advisory board.

"Sec. 164. Annual evaluation.

"Sec. 165. Funding limitation.

"Sec. 166. Definitions."

Subtitle F—Administration

SEC. 151. REPORTS.

Section 172 of the National and Community Service Act of 1990 (42 U.S.C. 12632) is amended—

(1) in subsection (a)(3)(A), by striking "sections 177 and 113(9)" and inserting "section 177"; and

(2) in subsection (b)(1), by striking "this title" and inserting "this Act".

SEC. 152. NONDISCRIMINATION.

Section 175 of the National and Community Service Act of 1990 (42 U.S.C. 12635) is amended to read as follows:

"SEC. 175. NONDISCRIMINATION.

"(a) **IN GENERAL.**—

"(1) **BASIS.**—An individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate against a participant in, or member of the staff of, such project on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) **DEFINITION.**—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) **FEDERAL FINANCIAL ASSISTANCE.**—Any assistance provided under this title shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) **RELIGIOUS DISCRIMINATION.**—

"(1) **IN GENERAL.**—Except as provided in paragraph (2), an individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate on the basis of religion against a participant in such project or a member of the staff of such project who is paid with funds received under this title.

"(2) **EXCEPTION.**—Paragraph (1) shall not apply to the employment, with assistance provided under this title, of any member of the staff, of a project that receives assistance under this title, who was employed with the organization operating the project on the date the grant under this title was awarded.

"(d) **RULES AND REGULATIONS.**—The Director shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 153. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) **CONSTRUCTION.**—Section 176(e) of such Act (42 U.S.C. 12636(e)) is amended by adding before the period the following " , other than assistance provided pursuant to this Act".

(b) **GRIEVANCE PROCEDURE.**—Section 176(f) of such Act is amended to read as follows:

"(f) **GRIEVANCE PROCEDURE.**—

"(1) **IN GENERAL.**—A State or local applicant that receives assistance under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants, labor organizations, and other interested individuals concerning projects that receive assistance under this title, including grievances regarding proposed placements of such participants in such projects.

"(2) **DEADLINE FOR GRIEVANCES.**—Except for a grievance that alleges fraud or criminal activity, a grievance shall be made not later than 1 year after the date of the alleged occurrence of the event that is the subject of the grievance.

"(3) **DEADLINE FOR HEARING AND DECISION.**—

"(A) **HEARING.**—A hearing on any grievance conducted under this subsection shall be conducted not later than 30 days after the filing of such grievance.

"(B) **DECISION.**—A decision on any such grievance shall be made not later than 60 days after the filing of such grievance.

"(4) **ARBITRATION.**—

"(A) **IN GENERAL.**—In the event of a decision on a grievance that is adverse to the party who filed such grievance, or 60 days after the filing of such grievance if no decision has been reached, such party shall be permitted to submit such grievance to binding arbitration before a qualified arbitrator who is jointly selected and independent of the interested parties.

"(B) **DEADLINE FOR PROCEEDING.**—An arbitration proceeding shall be held not later

than 45 days after the request for such arbitration proceeding.

“(C) DEADLINE FOR DECISION.—A decision concerning a grievance shall be made not later than 30 days after the date such arbitration proceeding begins.

“(D) COST.—The cost of an arbitration proceeding shall be divided evenly between the parties to the arbitration.

“(5) PROPOSED PLACEMENT.—If a grievance is filed regarding a proposed placement of a participant in a project that receives assistance under this title, such placement shall not be made unless the placement is consistent with the resolution of the grievance pursuant to this subsection.

“(6) REMEDIES.—Remedies for a grievance filed under this subsection include—

“(A) suspension of payments for assistance under this title;

“(B) termination of such payments;

“(C) prohibition of the placement described in paragraph (5); and

“(D) in a case in which the grievance involves a violation of subsection (a) or (b) of section 177 and the employer of the displaced employee is the recipient of assistance under this title—

“(i) reinstatement of the displaced employee to the position held by such employee prior to displacement;

“(ii) payment of lost wages and benefits of the displaced employee; and

“(iii) reestablishment of other relevant terms, conditions, and privileges of employment of the displaced employee.

“(7) ENFORCEMENT.—Suits to enforce arbitration awards under this section may be brought in any district court of the United States having jurisdiction of the parties, without regard to the amount in controversy and without regard to the citizenship of the parties. Such a court shall give due deference to the decision of the arbitrator.”

SEC. 154. NONDISPLACEMENT.

Section 177(b)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12637(b)(3)) is amended—

(1) in subparagraph (B), to read as follows:

“(B) SUPPLANTATION OF HIRING.—A participant in any program receiving assistance under this title shall not perform any services or duties, or engage in activities, that—

“(i) will supplant the hiring of employed workers; or

“(ii) are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.”; and

(2) in subparagraph (C)(iii), to read as follows:

“(iii) employee who—

“(I) is subject to a reduction in force; or

“(II) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.”

SEC. 155. EVALUATION.

Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “this title” and inserting “this Act”; and

(B) in paragraph (2), to read as follows:

“(2) for purposes of the reports required by subsection (j), the impact of such programs, in each State in which such a program is conducted, on the activities carried out under, and the effectiveness of, the national service and volunteer programs; and”;

(2) in subsection (g)—

(A) in the matter preceding paragraph (1), by striking “subtitle D” and inserting “this Act”;

(B) in paragraph (3), to read as follows:

“(3) encouraging each participant and volunteer to continue involvement in public and community service;”;

(C) in paragraph (9), to read as follows:

“(9) attracting a greater number of citizens to public service.”;

(3) by striking subsections (i) and (j); and

(4) by adding at the end the following:

“(i) INDEPENDENT EVALUATION AND REPORT OF DEMOGRAPHICS OF NATIONAL SERVICE PARTICIPANTS AND COMMUNITIES.—

“(1) INDEPENDENT EVALUATION.—

“(A) IN GENERAL.—The Corporation shall, on an annual basis, arrange for an independent evaluation of the programs assisted under subtitle C.

“(B) PARTICIPANTS.—

“(i) IN GENERAL.—The entity conducting such evaluation shall determine the demographic characteristics of the participants in such programs.

“(ii) CHARACTERISTICS.—The entity shall determine, for the year covered by the evaluation, the total number of participants in the programs, and the number of participants within the programs in such State, by sex, age, economic background, education level, ethnic group, disability classification, and geographic region.

“(iii) CATEGORIES.—The Corporation shall determine appropriate categories for analysis of each of the characteristics referred to in clause (ii) for purposes of such an evaluation.

“(C) COMMUNITIES.—In conducting the evaluation, the entity shall determine the amount of assistance provided under section 121 during the year that has been expended for projects conducted under the programs in areas described in section 133(c)(6).

“(2) REPORT.—The entity conducting the evaluation shall submit a report to the President, Congress, the Corporation, and each State Commission containing the results of the evaluation—

“(A) with respect to the evaluation covering the year beginning on the date of enactment of this subsection, not later than 18 months after such date; and

“(B) with respect to the evaluation covering each subsequent year, not later than 18 months after the first day of each such year.”

SEC. 156. CONTINGENT EXTENSION.

(a) IN GENERAL.—Section 181 of the National and Community Service Act of 1990 (42 U.S.C. 12641) is amended to read as follows:

“SEC. 181. CONTINGENT EXTENSION.

“Section 414 of the General Education Provisions Act (20 U.S.C. 1226a) shall apply to this Act.”

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 181 of such Act and inserting the following:

“Sec. 181. Contingent extension.”

SEC. 157. AUDITS.

(a) IN GENERAL.—Section 183 of the National and Community Service Act of 1990 (42 U.S.C. 12643) is amended to read as follows:

“SEC. 183. AUDITS.

“For purposes of the application of chapter 75 of title 31, United States Code (commonly known as the ‘Single Audit Act of 1984’) to State and local governments that receive financial assistance under this Act—

“(1) each program through which the State or local government receives such assistance

shall be deemed to be a major Federal assistance program;

“(2) each audit conducted under such chapter with respect to a program shall be conducted annually;

“(3) each audit conducted under such chapter shall be conducted in accordance with the requirements of such chapter and the requirements of the regulations prescribed pursuant to section 7505 of such title, and with such requirements as the Comptroller General may specify; and

“(4) the provisions of section 422 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5062) shall apply with respect to maintenance of books, documents, papers, and records for such audits, in the same manner and to the same extent as such provisions apply to books, documents, papers, and records maintained for audits under such Act.”

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 183 of such Act and inserting the following:

“Sec. 183. Audits.”

SEC. 158. REPEALS.

(a) IN GENERAL.—Subtitle F of title I of the National and Community Service Act of 1990 (42 U.S.C. 12631 et seq.) is amended—

(1) by repealing sections 171, 185, and 186;

(2) by redesignating section 184 as section 171; and

(3) by inserting section 171 (as redesignated in paragraph (2) of this subsection) before section 172.

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended—

(1) by striking the item relating to section 171 and inserting the following:

“Sec. 171. Drug-free workplace requirements.”;

and

(2) by striking the items relating to sections 184 and 185 of such Act.

Subtitle G—Organization

SEC. 161. STATE COMMISSIONS FOR NATIONAL SERVICE AND COMMUNITY VOLUNTEERS.

(a) COMPOSITION AND DUTIES OF STATE COMMISSIONS.—Subtitle F of title I of the National and Community Service Act of 1990 is amended by striking section 178 (42 U.S.C. 12638) and inserting the following new section:

“SEC. 178. STATE COMMISSIONS FOR NATIONAL SERVICE AND COMMUNITY VOLUNTEERS.

“(a) EXISTENCE REQUIRED.—

“(1) STATE COMMISSION.—Except as provided in paragraph (2), to be eligible to receive a grant or allotment under subtitle B or C, a State shall maintain a State Commission for National Service and Community Volunteers that satisfies the requirements of this section.

“(2) ALTERNATIVE ADMINISTRATIVE ENTITY.—The chief executive officer of a State may apply to the Corporation for approval to use an alternative administrative entity (including an entity in existence on the date of enactment of this section) to carry out the duties otherwise entrusted to a State Commission under this Act. The chief executive officer shall ensure that any alternative administrative entity used in lieu of a State Commission still provides for representatives described in subsection (c)(1) to play a

significant policy-making role in carrying out the duties otherwise entrusted to a State Commission, including the submission of applications on behalf of the State under sections 113 and 130.

"(b) APPOINTMENT AND SIZE.—The members of a State Commission for a State shall be appointed by the chief executive officer of the State. A State Commission shall consist of not less than 7 voting members and not more than 21 voting members.

"(c) COMPOSITION AND MEMBERSHIP.—

"(1) RECOMMENDED MEMBERS.—The State Commission for a State may include as voting members representatives from the following categories:

"(A) National service programs, such as a youth corps program described in section 122(a)(2), and a program in which older adults are participants.

"(B) Volunteer programs, such as a Retired Senior Volunteer Program under part A of title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5001 et seq.), senior companion program under part C of title II of such Act (42 U.S.C. 5013 et seq.), or service-learning program under subtitle B.

"(C) Local governments in the State.

"(D) Community-based organizations.

"(E) Participants in service programs who are youth.

"(F) Participants in volunteer service programs who are older adults.

"(G) Educators.

"(H) Experts in the delivery of human, educational, environmental, or public safety services to communities and persons.

"(I) Businesses and business groups.

"(J) Local labor organizations.

"(2) COMPOSITION.—The chief executive officer of a State shall ensure that the membership of the State Commission for the State is diverse with respect to race, ethnicity, age, gender, and geographic residence.

"(3) EX OFFICIO STATE REPRESENTATIVES.—The chief executive officer of a State may appoint ex officio nonvoting members of the State Commission.

"(4) LIMITATION ON NUMBER OF STATE EMPLOYEES AS MEMBERS.—The number of voting members of a State Commission selected under paragraph (1) who are officers or employees of the State may not exceed 25 percent (reduced to the nearest whole number) of the total membership of the State Commission.

"(d) MISCELLANEOUS MATTERS.—

"(1) MEMBERSHIP BALANCE.—The chief executive officer of a State shall ensure that not more than 50 percent of the voting members of a State Commission, plus one additional member, are from the same political party.

"(2) TERMS.—Each member of the State Commission for a State shall serve for a term of 3 years, except that the chief executive officer of a State shall initially appoint a portion of the members to terms of 1 year and 2 years.

"(3) VACANCIES.—As vacancies occur on a State Commission, new members shall be appointed by the chief executive of the State and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the State Commission.

"(4) COMPENSATION.—A member of a State Commission or alternative administrative entity shall not receive any additional compensation by reason of service on the State Commission or alternative administrative entity, except that the State may authorize the reimbursement of travel expenses, in-

cluding a per diem in lieu of subsistence, in the same manner as other employees serving intermittently in the service of the State.

"(5) CHAIRPERSON.—The voting members of a State Commission shall elect one of the voting members to serve as chairperson of the State Commission.

"(e) DUTIES OF A STATE COMMISSION.—The State Commission or alternative administrative entity for a State shall be responsible for the following duties:

"(1) Preparing, submitting to the Corporation, and obtaining approval of, a national service and volunteer strategic plan for the national service programs and volunteer programs to be carried out in the State that—

"(A) covers a 3-year period;

"(B) is updated annually; and

"(C) contains such information as the State Commission or alternative administrative entity considers to be appropriate and as the Corporation may require.

"(2) Preparing, submitting to the Corporation, and obtaining approval of, the applications of the State under sections 113 and 130 for financial assistance.

"(3) Assisting in the provision of health care and child care benefits under section 140 to participate in national service programs that receive assistance under subtitle C in the State.

"(4) Developing a State system for the—

"(A) recruitment of participants and volunteers for, and placement of participants and volunteers in—

"(i) national service programs under this Act in the State, other than activities that receive assistance under section 123; or

"(ii) volunteer programs under this Act in the State; and

"(B) dissemination of information concerning programs that receive assistance under this Act.

"(5) Administering the grant programs in support of—

"(A) national service programs that are conducted by the State using assistance provided to the State under subtitle C; and

"(B) volunteer programs that are conducted by the State using assistance provided to the State under subtitle B,

including selection, oversight, and evaluation of grant recipients.

"(6) Developing projects, training methods, curriculum materials, and other materials and activities related to—

"(A) national service programs in the State that receive assistance directly from the Corporation or from the State using assistance provided under this Act; and

"(B) volunteer programs in the State that receive assistance directly from the Corporation or from the State using assistance provided under this Act.

"(f) ACTIVITY INELIGIBLE FOR ASSISTANCE.—A State Commission or alternative administrative entity may not directly carry out any national service program that receives assistance under subtitle C.

"(g) DELEGATION.—Subject to such requirements as the Corporation may prescribe, a State Commission may delegate nonpolicy-making duties to a State agency or public or private not-for-profit organization.

"(h) APPROVAL OF STATE COMMISSION OR ALTERNATIVE.—

"(1) SUBMISSION TO CORPORATION.—The chief executive officer for a State shall notify the Corporation of the establishment or designation of the State Commission or use of an alternative administrative entity for the State. The notification shall include a description of—

"(A) the composition and membership of the State Commission or alternative administrative entity; and

"(B) the authority of the State Commission or alternative administrative entity regarding national service and volunteer activities carried out by the State.

"(2) APPROVAL OF ALTERNATIVE ADMINISTRATIVE ENTITY.—Any designation of a State Commission or use of an alternative administrative entity to carry out the duties of a State Commission shall be subject to the approval of the Corporation.

"(3) REJECTION.—The Corporation may reject a State Commission if the Corporation determines that the composition, membership, or duties of the State Commission do not comply with the requirements of this section. The Corporation may reject a request to use an alternative administrative entity in lieu of a State Commission if the Corporation determines that the duties of the entity do not comply with the requirements of this section or that the use of the alternative administrative entity does not allow individuals described in subsection (c)(1) to play a significant policymaking role in carrying out the duties otherwise entrusted to a State Commission. The Corporation shall reject a State Commission or alternative administrative entity if the Commission or entity fails to demonstrate that the Commission or entity has sufficient authority to carry out the duties described in subsection (d). If the Corporation rejects a State Commission or alternative administrative entity under this paragraph, the Corporation shall promptly notify the State of the reasons for the rejection.

"(4) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State notified under paragraph (3) with a reasonable opportunity to revise the rejected State Commission or alternative administrative entity. At the request of the State, the Corporation shall provide technical assistance to the State as part of the revision process. The Corporation shall promptly reconsider any resubmission of a notification under paragraph (1) or application to use an alternative administrative entity under paragraph (2).

"(5) SUBSEQUENT CHANGES.—This subsection shall also apply to any change in the composition or duties of a State Commission or an alternative administrative entity made after approval of the State Commission or the alternative administrative entity.

"(i) REVIEW AND APPROVAL OF STRATEGIC PLANS.—

"(1) REVIEW.—The Corporation shall review and approve strategic plans submitted by State Commission and alternative administrative entities under this section.

"(2) REJECTION.—The Corporation may reject such a strategic plan if the Corporation determines that the plan does not meet the requirements of this Act, the Domestic Volunteer Service Act of 1973, part B of title XI of the Higher Education Act of 1965, and Public Law 91-378. If the Corporation rejects such a strategic plan, the Corporation shall promptly notify the State of the reasons for the rejection.

"(3) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State notified under paragraph (2) with a reasonable opportunity to revise the rejected plan. At the request of the State, the Corporation shall provide technical assistance to the State as part of the revision process. The Corporation shall promptly reconsider any resubmission of such a plan.

"(4) SUBSEQUENT CHANGES.—This subsection shall also apply to any update of

such a strategic plan made after approval of the plan.

“(j) LIABILITY.—

“(1) LIABILITY OF STATE.—Except as provided in paragraph (2)(B), a State shall agree to assume liability with respect to any claim arising out of or resulting from any act or omission by a member of the State Commission or alternative administrative entity of the State, within the scope of the service of the member on the State Commission or alternative administrative entity.

“(2) OTHER CLAIMS.—

“(A) IN GENERAL.—A member of the State Commission or alternative administrative entity shall have no personal liability with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the State Commission or alternative administrative entity.

“(B) LIMITATION.—This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the State Commission or alternative administrative entity.

“(3) EFFECT ON OTHER LAW.—This subsection shall not be construed—

“(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such service;

“(B) to affect any other right or remedy against the State under applicable law, or against any person other than a member of the State Commission or alternative administrative entity; or

“(C) to limit or alter in any way the immunities that are available under applicable law for State officials and employees not described in this subsection.”

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 178 and inserting the following new item:

“Sec. 178. State Commissions for National Service and Community Volunteers.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1993.

SEC. 162. INTERIM AUTHORITIES OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AND ACTION AGENCY.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Subtitle G of title I of the National and Community Service Act of 1990 (42 U.S.C. 12651) is amended to read as follows:

“SEC. 191. CORPORATION FOR NATIONAL SERVICE AND COMMUNITY VOLUNTEERS.

“There is established a Corporation for National Service and Community Volunteers that shall administer the programs established under this Act. The Corporation shall be a Government corporation, as defined in section 103 of title 5, United States Code.

“SEC. 192. BOARD OF DIRECTORS.

“(a) BOARD OF DIRECTORS.—

“(1) COMPOSITION.—

“(A) APPOINTMENT.—There shall be in the Corporation a Board of Directors (hereafter referred to in this subtitle as the ‘Board’) that shall be composed of—

“(i) 9 members appointed by the President with the advice and consent of the Senate; and

“(ii) the Director, who shall serve as an ex officio nonvoting member of the Board.

“(B) QUALIFICATIONS.—To the maximum extent practicable, the President shall appoint members—

“(i) who have extensive experience in volunteer and service programs and who represent a broad range of viewpoints; and

“(ii) so that the Board shall be diverse with respect to race, ethnicity, age, gender, and geographic residence.

“(2) POLITICAL PARTIES.—Not more than 5 members of the Board shall be from the same political party.

“(3) NOMINATIONS.—Two members of the Board shall be appointed from among individuals nominated jointly by the Speaker and the Minority Leader of the House of Representatives, and 2 of such members shall be appointed from among individuals nominated jointly by the Majority Leader and Minority Leader of the Senate.

“(b) TERMS.—Each appointed member of the Board shall serve for a term of 3 years, except that 3 of the members first appointed to the Board after the date of enactment of this section shall serve for a term of 1 year and 3 shall serve for a term of 2 years, as designated by the President.

“(c) VACANCIES.—As vacancies occur on the Board, new members shall be appointed by the President, by and with the advice and consent of the Senate, and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

“SEC. 192A. AUTHORITIES AND DUTIES OF THE BOARD OF DIRECTORS.

“(a) CHAIRPERSON AND VICE CHAIRPERSON.—The Board shall elect a chairperson and vice chairperson from among its membership. The Director shall not be eligible to serve as the chairperson or vice chairperson.

“(b) OTHER OFFICERS.—The Board may elect from among its membership such additional officers for the Board as the Board determines to be appropriate.

“(c) MEETINGS.—The Board shall meet not less than 3 times each year. The Board shall hold additional meetings if 6 members of the Board request such meetings in writing. A majority of the appointed members of the Board shall constitute a quorum.

“(d) EXPENSES.—While away from their homes or regular places of business on the business of the Board, members of such Board may be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

“(e) SPECIAL GOVERNMENT EMPLOYEES.—For purposes of the provisions of chapter 11 of part I of title 18, United States Code, and any other provision of Federal law, a member of the Board (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

“(f) STATUS OF MEMBERS.—

“(1) TORT CLAIMS.—For the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a member of the Board shall be considered to be a Federal employee.

“(2) OTHER CLAIMS.—A member of the Board has no personal liability under Federal law with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the Board, in connection with any transaction involving the provision of financial assistance by the Corpora-

tion. This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the Board.

“(3) EFFECT ON OTHER LAW.—This subsection shall not be construed—

“(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such transactions;

“(B) to affect any other right or remedy against the Corporation, against the United States under applicable law, or against any person other than a member of the Board participating in such transactions; or

“(C) to limit or alter in any way the immunities that are available under applicable law for Federal officials and employees not described in this subsection.

“(g) DUTIES.—The Board shall—

“(1) review and approve the strategic plan described in section 193A(b)(1), and annual updates of the plan;

“(2) review and approve the proposal described in section 193A(b)(2)(A), with respect to the grants, allotments, contracts, financial assistance, and payments referred to in such section;

“(3) review and approve the proposal described in section 193A(b)(3)(A), regarding the regulations, standards, policies, procedures, programs, and initiatives referred to in such section;

“(4) review and approve the evaluation plan described in section 193A(b)(4)(A);

“(5)(A) review, and advise the Director regarding, the actions of the Director with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

“(B) inform the Director of any aspects of the actions of the Director that are not in compliance with the annual strategic plan referred to in paragraph (1), the proposals referred to in paragraphs (2) and (3), or the plan referred to in paragraph (4), or are not consistent with the objectives of this Act;

“(6) receive, and act on, the reports issued by the Inspector General of the Corporation;

“(7) make recommendations relating to a program of research for the Corporation with respect to national service and volunteer programs, including service-learning programs;

“(8) advise the President and the Congress concerning developments in national service and volunteer programs that merit the attention of the President and the Congress;

“(9) ensure effective dissemination of information regarding the programs and initiatives of the Corporation; and

“(10) carry out any other activities determined to be appropriate by the Director.

“(h) ADMINISTRATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.

“SEC. 193. DIRECTOR.

“(a) APPOINTMENT.—There shall be in the Corporation a Director of the Corporation, and who shall be appointed by the President, by and with the advice and consent of the Senate.

“(b) COMPENSATION.—The Director shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

“(c) REGULATIONS.—The Director shall prescribe such rules and regulations as are necessary or appropriate to carry out this Act.

"SEC. 193A. AUTHORITIES AND DUTIES OF THE DIRECTOR.

"(a) GENERAL POWERS AND DUTIES.—The Director shall be responsible for the exercise of the powers and the discharge of the duties of the Corporation that are not reserved to the Board, and shall have authority and control over all personnel of the Corporation.

"(b) DUTIES.—In addition to the duties conferred on the Director under any other provision of this Act, the Director shall—

"(1) prepare and submit to the Board a strategic plan every 5 years, and annual updates of the plan, for the Corporation with respect to the major functions and operations of the Corporation;

"(2)(A) prepare and submit to the Board a proposal with respect to such grants and allotments, contracts, and other financial assistance, as are necessary or appropriate to carry out this Act; and

"(B) after receiving and reviewing an approved proposal under section 192A(g)(2), make such grants and allotments, enter into such contracts, award such other financial assistance, and make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of financial assistance otherwise authorized under this Act, with necessary adjustments on account of overpayments and underpayments) as are necessary or appropriate to carry out this Act;

"(3)(A) prepare and submit to the Board a proposal regarding, the regulations established under section 195(a)(3)(B)(i), and such other standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

"(B) after receiving and reviewing an approved proposal under section 192A(g)(3)—

"(i) establish such standards, policies, and procedures as are necessary or appropriate to carry out this Act; and

"(ii) establish and administer such programs and initiatives as are necessary or appropriate to carry out this Act;

"(4)(A) prepare and submit to the Board a plan for the evaluation of programs established under this Act, in accordance with section 179; and

"(B) after receiving an approved proposal under section 192A(g)(4)—

"(i) establish measurable performance goals and objectives for such programs, in accordance with section 179; and

"(ii) provide for periodic evaluation of such programs to assess the manner and extent to which the programs achieve the goals and objectives, in accordance with such section;

"(5) consult with appropriate Federal agencies in administering the programs and initiatives;

"(6) suspend or terminate payments described in paragraph (2)(B), in accordance with section 176;

"(7) prepare and submit to the Board an annual report, and such interim reports as may be necessary, describing the major actions of the Director with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives;

"(8) inform the Board of, and provide an explanation to the Board regarding, any substantial differences between—

"(A) the actions of the Director; and

"(B)(i) the strategic plan approved by the Board under section 192A(g)(1);

"(ii) the proposals approved by the Board under paragraph (2) or (3) of section 192A(g); or

"(iii) the plan approved by the Board under section 192A(g)(4); and

"(9) prepare and submit to the appropriate committees of Congress an annual report, and such interim reports as may be necessary, describing—

"(A) the services referred to in paragraph (1), and the money and property referred to in paragraph (2), of section 196(a) that have been accepted by the Corporation;

"(B) the manner in which the Corporation used or disposed of such services, money, and property; and

"(C) information on the results achieved by the programs funded under this Act during the year preceding the year in which the report is prepared.

"(c) POWERS.—In addition to the authority conferred on the Director under any other provision of this Act, the Director may—

"(1) establish, alter, consolidate, or discontinue such organizational units or components within the Corporation as the Director considers necessary or appropriate;

"(2) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act;

"(3) with their consent, utilize the services and facilities of Federal agencies with or without reimbursement, and, with the consent of any State, or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions with or without reimbursement;

"(4) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act, including expenditure for construction, repairs, and capital improvements;

"(5) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as the Director, upon the recommendation of the Board, shall determine to be appropriate to public agencies, private organizations, and the general public;

"(6) collect or compromise all obligations to or held by the Director and all legal or equitable rights accruing to the Director in connection with the payment of obligations in accordance with chapter 37 of title 31, United States Code (commonly known as the 'Federal Claims Collection Act of 1966');

"(7) expend funds made available for purposes of this Act, without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Director;

"(8) file a civil action in any court of record of a State having general jurisdiction or in any district court of the United States, with respect to a claim arising under this Act;

"(9) exercise the authorities of the Corporation under section 196; and

"(10) generally perform functions and take steps consistent with the objectives and provisions of this Act.

"(d) DELEGATION.—

"(1) DEFINITION.—As used in this subsection, the term 'function' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

"(2) IN GENERAL.—Except as otherwise prohibited by law or provided in this Act, the Director may delegate any function under this Act, and authorize such successive re-delegations of such function as may be necessary or appropriate. No delegation of a function by the Director under this subsection or under any other provision of this Act shall relieve such Director of responsibility for the administration of such function.

"(3) FUNCTION OF BOARD.—The Director may not delegate a function of the Board without the permission of the Board.

"(e) ACTIONS.—In an action described in subsection (c)(8)—

"(1) a district court referred to in such subsection shall have jurisdiction of such a civil action without regard to the amount in controversy;

"(2) such an action brought by the Director shall survive notwithstanding any change in the person occupying the office of Director or any vacancy in that office;

"(3) no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Director or the Board or property under the control of the Director or the Board; and

"(4) nothing in this section shall be construed to except litigation arising out of activities under this Act from the application of sections 509, 517, 547, and 2679 of title 28, United States Code.

"SEC. 194. MANAGEMENT.

"(a) MANAGEMENT.—

"(1) IN GENERAL.—After receiving and reviewing the recommendations of the Board the Director shall devise a management structure for the Corporation, and shall appoint, in accordance with section 195, such fiscal, legal, administrative, and program personnel as are needed to carry out the responsibilities of the Corporation.

"(2) DIVISIONS.—In establishing the management structure of the Corporation, the Director shall appoint individuals who shall be primarily responsible for—

"(A) the national service programs; and

"(B) (i) volunteer programs that are service-learning programs;

"(ii) volunteer programs that are senior programs; and

"(iii) volunteer programs that are Federal volunteer programs.

"(b) INSPECTOR GENERAL.—

"(1) OFFICE.—There shall be in the Corporation an Office of the Inspector General.

"(2) APPOINTMENT.—The Office shall be headed by an Inspector General, appointed by the Director.

"(3) COMPENSATION.—The Inspector General shall be compensated at the rate determined by the Director, which shall not exceed the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(4) DUTIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for purposes of the Inspector General Act of 1978 (5 U.S.C. App.)—

"(i) the Corporation shall be considered to be a designated Federal entity, as defined in section 8E(a)(2) of such Act; and

"(ii) the Director shall be considered to be the head of the designated Federal entity, as defined in section 8E(a)(4) of such Act.

"(B) PROGRAM FRAUD.—For purposes of chapter 38 of title 31, United States Code (commonly known as the 'Program Fraud Civil Remedies Act of 1986')—

"(i) the Corporation shall be considered to be an authority, as defined in section 3801(a)(1) of such Act;

"(ii) the Director shall be considered to be an authority head, as defined in section 3801(a)(2) of such Act; and

"(iii) the Inspector General shall be considered to be an investigating official, as defined in section 3801(a)(4) of such Act.

"SEC. 195. EMPLOYEES, CONSULTANTS, AND OTHER PERSONNEL.

"(a) EMPLOYEES.—

"(1) IN GENERAL.—The Director may appoint and determine the compensation of

such employees necessary to carry out the duties of the Corporation.

"(2) TERMS.—

"(A) INITIAL TERM.—

"(i) LENGTH OF TERM.—Such an employee shall be appointed for an initial term that shall not exceed 5 years.

"(ii) PROBATION PERIOD.—The Director shall take such action, including the issuance of rules, regulations, and directives, as shall provide, as nearly as conditions of good administration warrant, for a 1-year period of probation before such an appointment becomes final.

"(B) APPOINTMENT EXTENSIONS.—The appointment of an employee may be extended by the Director, after receiving and reviewing the recommendations of the Board.

"(C) APPOINTMENT IN THE COMPETITIVE SERVICE AFTER EMPLOYMENT IN THE CORPORATION.—

"(i) EMPLOYEES WITH NOT LESS THAN 3 YEARS OF EMPLOYMENT.—If an employee is separated from the Corporation (other than by removal for cause), and has been continuously employed by the Corporation for a period of not less than 3 years, such period shall be treated as a period of service in the competitive service for purposes of chapter 33 of title 5, United States Code.

"(ii) DEFINITION.—As used in this subparagraph, the term 'competitive service' has the meaning given the term in section 2102 of title 5, United States Code.

"(3) APPOINTMENT AND COMPENSATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B)(iv), the Director may appoint and determine the compensation of employees under this subsection without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(B) CORPORATION SELECTION AND COMPENSATION SYSTEMS.—

"(i) ESTABLISHMENT OF SYSTEM.—The Director, in consultation with the Director of the Office of Personnel Management and after reviewing the recommendations of the Board under section 192A(g)(3), shall issue regulations establishing selection and compensation systems for the Corporation. In issuing such regulations, the Director shall take into consideration the need for flexibility in such a system.

"(ii) APPLICATION.—The Director shall appoint and determine the compensation of employees referred to in paragraph (1) in accordance with the selection and compensation systems referred to in clause (i).

"(iii) SELECTION SYSTEM.—The selection system shall provide for the selection of such an employee for such a position—

"(I) through a competitive process; and

"(II) on the basis of the qualifications of applicants and the requirements of the position.

"(iv) COMPENSATION SYSTEM.—The compensation system shall include a scheme for the classification of positions in the Corporation. The system shall require that the compensation of such an employee be determined based in part on the job performance of the employee, and in a manner consistent with the principles described in section 5301 of title 5, United States Code. The rate of compensation for each employee compensated through the system shall not exceed the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) CONSULTANTS.—The Director may procure the temporary and intermittent serv-

ices of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code.

"(c) DETAILS OF PERSONNEL.—The head of any Federal department or agency may detail on a reimbursable basis, or on a non-reimbursable basis for not to exceed 180 calendar days during any fiscal year, as agreed upon by the Director and the head of the Federal agency, any of the personnel of that department or agency to the Corporation to assist the Corporation in carrying out the duties of the Corporation under this Act. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"SEC. 196. ADMINISTRATION.

"(a) DONATIONS.—

"(1) SERVICES.—

"(A) VOLUNTEERS.—Notwithstanding section 1342 of title 31, United States Code, the Corporation may accept the voluntary services of individuals to assist the Corporation in carrying out the duties of the Corporation under this Act, and may provide to such individuals the travel expenses described in section 192A(d).

"(B) LIMITATION.—Such a volunteer shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that—

"(i) for the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a volunteer under this subtitle shall be considered to be a Federal employee; and

"(ii) for the purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, volunteers under this subtitle shall be considered to be employees, as defined in section 8101(1)(B) of title 5, United States Code, and the provisions of such subchapter shall apply.

"(C) INHERENTLY GOVERNMENTAL FUNCTION.—

"(i) IN GENERAL.—Such a volunteer shall not carry out an inherently governmental function.

"(ii) REGULATIONS.—The Director shall promulgate regulations to carry out this subparagraph.

"(iii) INHERENTLY GOVERNMENTAL FUNCTION.—As used in this subparagraph, the term 'inherently governmental function' means any activity that is so intimately related to the public interest as to mandate performance by an officer or employee of the Federal Government, including an activity that requires either the exercise of discretion in applying the authority of the Government or the use of value judgment in making a decision for the Government.

"(2) PROPERTY.—The Corporation may accept, use, and dispose of, in furtherance of the purposes of this Act, donations of any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise. Donations accepted under this subparagraph shall be used as nearly as possible in accordance with the terms, if any, of such donation.

"(3) RULES.—The Director shall establish written rules setting forth the criteria to ensure that the acceptance of contributions of money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise (pursuant to paragraph (2)) will not reflect unfavorably

upon the ability of the Corporation or any employee of the Corporation to carry out the responsibilities or official duties of the Corporation in a fair and objective manner, or compromise the integrity of the programs of the Corporation or any official involved in such programs.

"(4) DISPOSITION.—Upon completion of the use by the Corporation of any property described in paragraph (2), such completion shall be reported to the General Services Administration and such property shall be disposed of in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

"(5) VOLUNTEER.—As used in this subsection, the term 'volunteer' does not include a participant.

"(b) CONTRACTS.—Subject to the Federal Property and Administrative Services Act of 1949, the Corporation may enter into contracts, and cooperative and interagency agreements, with Federal and State agencies, private firms, institutions, and individuals to conduct activities necessary to carry out the duties of the Corporation under this Act.

"(c) OFFICE OF MANAGEMENT AND BUDGET.—Appropriate circulars of the Office of Management and Budget shall apply to the Corporation."

(b) RELATIONSHIP TO OTHER NATIONAL SERVICE AND DOMESTIC VOLUNTEER PROGRAMS.—

(1) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(A) AUTHORITY.—Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended by inserting after the second sentence the following: "The Director shall report directly to the Director of the Corporation for National Service and Community Volunteers."

(B) RELATIONSHIP WITH STATE PLANS AND OTHER REQUIREMENTS.—Title IV of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041 et seq.) is amended by inserting after section 404 the following:

"SEC. 405. RELATIONSHIP WITH STATE PLANS AND OTHER REQUIREMENTS.

"In carrying out programs, and in providing assistance to recipients to carry out programs, in a State under this title, the Director shall ensure that such programs will be carried out in accordance with—

"(1) the State plan approved for the State by the Corporation for National Service and Community Volunteers under section 178(i) of the National and Community Service Act of 1990;

"(2) the priorities established under section 122(c) of such Act; and

"(3) such other requirements as the Director of such Corporation may by regulation specify."

(2) YOUTH CONSERVATION CORPS ACT OF 1970.—Section 3(a) of Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the "Youth Conservation Corps Act of 1970") is amended—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period and inserting "; and"; and

(C) by inserting after paragraph (6) the following:

"(7) in providing assistance to recipients to carry out programs under this Act in a State, ensure that such programs will be carried out in accordance with—

"(A) the State plan approved for the State by the Corporation for National Service and Community Volunteers under section 178(i) of the National and Community Service Act of 1990;

"(B) the priorities established under section 122(c) of such Act; and

"(C) such other requirements as the Director of such Corporation may by regulation specify."

(3) HIGHER EDUCATION ACT OF 1965.—Subpart 3 of part B of title XI of the Higher Education Act of 1965 (20 U.S.C. 1139) is amended—

(A) by striking the subpart heading and inserting the following:

"Subpart 3—General Provisions"; and

(B) by adding at the end the following:

"SEC. 1152. RELATIONSHIP WITH STATE PLANS.

"In providing assistance to recipients to carry out programs in a State under this part, the Secretary shall ensure that such programs will be carried out in accordance with—

"(1) the State plan approved for the State by the Corporation for National Service and Community Volunteers under section 178(i) of the National and Community Service Act of 1990;

"(2) the priorities established under section 122(c) of such Act; and

"(3) such other requirements as the Director of such Corporation may by regulation specify."

(c) TRANSFER OF FUNCTIONS OF COMMISSION ON NATIONAL AND COMMUNITY SERVICE.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context, each term specified in section 163(c)(1) shall have the meaning given the term in such section.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Corporation the functions that the Board of Directors or Executive Director of the Commission on National and Community Service exercised before the effective date of this subsection (including all related functions of any officer or employee of the Commission).

(3) APPLICATION.—The provisions of paragraphs (3) through (10) of section 163(c) shall apply with respect to the transfer described in paragraph (2), except that—

(A) for purposes of such application, references to the term "ACTION Agency" shall be deemed to be references to the Commission on National and Community Service; and

(B) paragraph (10) of such section shall not preclude the transfer of the members of the Board of Directors of the Commission to the Corporation if, on the effective date of this subsection, the Board of Directors of the Corporation has not been confirmed.

(d) CONTINUING PERFORMANCE OF CERTAIN FUNCTIONS.—The individuals who, on the day before the date of enactment of this Act, are performing any of the functions required by section 190 of the National and Community Service Act of 1990 (42 U.S.C. 12651), as in effect on such date, to be performed by the members of the Board of Directors of the Commission on National and Community Service may, subject to section 193A of the National and Community Service Act of 1990, as added by subsection (a) of this section, continue to perform such functions until the date on which the Board of Directors of the Corporation for National Service and Community Volunteers conducts the first meeting of the Board. The service of such individuals as members of the Board of Directors of such Commission, and the employment of such individuals as special government employees, shall terminate on such date.

(e) JOB SEARCH ASSISTANCE.—The Director shall establish a program to provide, or shall seek to enter into a memorandum of understanding with the Director of the Office of

Personnel Management to provide, job search and related assistance to—

(1) employees of the ACTION agency who are not transferred to the Corporation for National Service and Community Volunteers under section 163(c); and

(2) employees of the Department of Agriculture, Department of the Interior, or Department of Education who are separated from such Departments because of the requirements of title II.

(f) GOVERNMENT CORPORATION CONTROL.—

(1) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (D) the following:

"(E) the Corporation for National Service and Community Volunteers."

(2) AUDITS.—Section 9105(a)(1) of title 31, United States Code, is amended by inserting "or under other Federal law," before "or by an independent".

(g) DISPOSAL OF PROPERTY.—Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following:

"(5)(A) Under such regulations as the Administrator may prescribe, the Administrator is authorized, in the discretion of the Administrator, to assign to the Director of the Corporation for National Service and Community Volunteers for disposal such surplus property as is recommended by the Director as being needed for national service activities.

"(B) Subject to the disapproval of the Administrator, within 30 days after notice to the Administrator by the Director of a proposed transfer of property for such activities, the Director, through such officers or employees of the Corporation as the Director may designate, may sell, lease, or donate such property to any entity that receives financial assistance under the National and Community Service Act of 1990 for such activities.

"(C) In fixing the sale or lease value of such property, the Director shall comply with the requirements of paragraph (1)(C)."

(h) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle G of title I of such Act and inserting the following:

"Subtitle G—Corporation for National Service and Community Volunteers
 "Sec. 191. Corporation for National Service and Community Volunteers.
 "Sec. 192. Board of Directors.
 "Sec. 192A. Authorities and duties of the Board of Directors.
 "Sec. 193. Director.
 "Sec. 193A. Authorities and duties of the Director.
 "Sec. 194. Management.
 "Sec. 195. Employees, consultants, and other personnel.
 "Sec. 196. Administration."

(1) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 1993.

(2) ESTABLISHMENT AND APPOINTMENT AUTHORITIES.—Sections 191, 192, and 193 of the National and Community Service Act of 1990, as added by subsection (a), shall take effect on the date of enactment of this Act.

SEC. 163. FINAL AUTHORITIES OF THE CORPORATION FOR NATIONAL SERVICE AND COMMUNITY VOLUNTEERS.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) APPLICATION.—Section 178(e) of the National and Community Service Act of 1990 (as

amended by section 161 of this Act) is amended, and subtitle G of such Act (as amended by section 162 of this Act) is amended in section 191, section 192A(g)(5), section 193(c), subsections (b), (c) (other than paragraph (8)), and (d) of section 193A, section 195(c), and subsections (a) and (b) of section 196, by striking "this Act" each place the term appears and inserting "the national service laws".

(2) GRANTS.—Section 192A(g) of the National and Community Service Act of 1990 (as added by section 162 of this Act) is amended—

(A) by striking "and" at the end of paragraph (9);

(B) by redesignating paragraph (10) as paragraph (11); and

(C) by inserting after paragraph (9) the following:

"(10) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under the provisions of the Domestic Volunteer Service Act of 1973 (except as provided in section 108 of the Domestic Volunteer Service Act of 1973), which may provide that the agency or organization shall pay all or a part of the costs of the program; and"

(b) AUTHORITIES OF ACTION AGENCY.—Sections 401 and 402 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041 and 5042) are repealed.

(c) TRANSFER OF FUNCTIONS FROM ACTION AGENCY.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context—

(A) the term "Corporation" means the Corporation for National Service and Community Volunteers, established under section 191 of the National and Community Service Act of 1990;

(B) the term "Director" means the Director of the Corporation;

(C) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(D) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(E) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Corporation such functions as the President determines to be appropriate that the Director of the ACTION Agency exercised before the effective date of this subsection (including all related functions of any officer or employee of the ACTION Agency).

(3) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under paragraph (2).

(4) REORGANIZATION.—The Director is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Corporation, after providing notice of the allocation or reallocation to Congress.

(5) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available

to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Corporation. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(6) INCIDENTAL TRANSFER.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this subsection, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be necessary to effectuate the purposes of this subsection.

(7) EFFECT ON PERSONNEL.—

(A) IN GENERAL.—Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection.

(B) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Corporation to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(C) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

(8) SAVINGS PROVISIONS.—

(A) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(i) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this subsection; and

(ii) that are in effect at the time this subsection takes effect, or were final before the effective date of this subsection and are to become effective on or after the effective date of this subsection,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director, or other authorized official, a court of competent jurisdiction, or by operation of law.

(B) PROCEEDINGS NOT AFFECTED.—The provisions of this subsection shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the ACTION Agency at the time this subsection takes effect, with respect to functions transferred by this subsection but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subsection had not been enacted.

(C) SUITS NOT AFFECTED.—The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

(D) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the ACTION Agency, or by or against any individual in the official capacity of such individual as an officer of the ACTION Agency, shall abate by reason of the enactment of this subsection.

(E) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the ACTION Agency relating to a function transferred under this subsection may be continued by the Corporation with the same effect as if this subsection had not been enacted.

(9) SEVERABILITY.—If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

(10) TRANSITION.—Prior to, or after, any transfer of a function under this subsection, the Director is authorized to utilize—

(A) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions that will be or have been transferred to the Corporation by this subsection; and

(B) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subsection.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section, and the amendments made by this section, shall take effect—

(A) 18 months after the date of enactment of this Act; or

(B) on such earlier date as the President shall determine to be appropriate and announce by proclamation published in the Federal Register.

(2) TRANSITION.—Subsection (c)(10) shall take effect on the date of enactment of this Act.

Subtitle H—Other Activities

SEC. 171. POINTS OF LIGHT FOUNDATION.

Section 301(b)(3) of the National and Community Service Act (42 U.S.C. 12661(b)(3)) is amended by inserting "and make awards to" after "develop".

Subtitle I—Authorization of Appropriations

SEC. 181. AUTHORIZATION.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 501 of the National and Community Service Act of 1990 (42 U.S.C. 12681) is amended to read as follows:

"SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

"(a) NATIONAL AND COMMUNITY SERVICE.—

"(1) SERVICE-LEARNING.—There are authorized to be appropriated to carry out subtitle B of title I, \$30,600,000 for each of fiscal years 1994 and 1995, and such sums as may be necessary for each subsequent fiscal year.

"(2) NATIONAL SERVICE.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out subtitle C of title I (other than sections 123 and 125), \$67,900,000 for fiscal year 1994, \$136,000,000 for fiscal year 1995, and such sums as may be necessary for each subsequent fiscal year.

"(B) DEMONSTRATION EFFORTS.—There are authorized to be appropriated to carry out section 123, \$10,000,000 for fiscal year 1994, and \$20,000,000 for fiscal year 1995.

"(C) OTHER SPECIAL EFFORTS.—There are authorized to be appropriated to carry out section 125, \$6,000,000 for fiscal year 1994, \$8,000,000 for fiscal year 1995, and such sums as may be necessary for each subsequent fiscal year.

"(3) QUALITY AND INNOVATION ACTIVITIES.—There are authorized to be appropriated to carry out subtitle D, \$10,000,000 for fiscal year 1994, and \$15,000,000 for fiscal year 1995.

"(4) ADMINISTRATION AND ORGANIZATION.—There are authorized to be appropriated to carry out subtitles F and G, \$5,000,000 for fiscal year 1994, \$9,000,000 for fiscal year 1995, and such sums as may be necessary for each subsequent fiscal year.

"(b) POINTS OF LIGHT FOUNDATION.—There are authorized to be appropriated to carry out title III, \$5,000,000 for each of fiscal years 1994 and 1995."

(b) EXTENSION OF AUTHORITY TO CONDUCT CIVILIAN COMMUNITY CORPS.—Section 1092(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2534) is further amended by adding at the end the following new sentence: "The amount made available for the Civilian Community Corps Demonstration Program pursuant to this subsection shall remain available for expenditure during fiscal years 1993, 1994, and 1995."

Subtitle J—General Provisions

SEC. 191. EFFECTIVE DATE.

Except as otherwise provided, this title, and the amendments made by this title, shall take effect on October 1, 1993.

TITLE II—OTHER SERVICE PROGRAMS

SEC. 201. REPEALS OF SERVICE PROGRAMS.

(a) IN GENERAL.—The following provisions are repealed:

(1) Subtitles D and E of title I (as amended by sections 131 and 141 of this Act), and title III, of the National and Community Service Act of 1990.

(2) Parts A, B, and C of title I, and title II, of the Domestic Volunteer Service Act of 1973. (42 U.S.C. 4951 et seq., 4971 et seq., 4991 et seq., and 5000 et seq.).

(3) Part B of title XI of the Higher Education Act of 1965 (20 U.S.C. 1137 et seq.).

(4) Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the "Youth Conservation Corps Act of 1970").

(b) EFFECTIVE DATE.—The repeals made by subsection (a) shall take effect 24 months after the amendments made by section 121 take effect.

SEC. 202. TRANSITION.

(a) STUDY AND REPORT.—

(1) STUDY.—The Director of the Corporation for National Service and Community Volunteers (referred to in this title as the "Director") shall, in consultation with the Secretary of Education, the Director of ACTION, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense, and the Director of the Office of Personnel Management, conduct a study to examine—

(A) strategies for carrying out, under subtitle C of title I of the National and Community Service Act of 1990, through the division of the Corporation that carries out national service programs, the programs and activities that are being carried out under—

(i) subtitles D and E of title I of the National and Community Service Act of 1990 (as amended by sections 131 and 141 of this Act);

(ii) part A of title I, and, in particular, section 109, of the Domestic Volunteer Service Act of 1973;

(iii) part B of title XI of the Higher Education Act of 1965; and

(iv) Public Law 91-378; and

(B) strategies for carrying out, under subtitle B of title I of the National and Community Service Act of 1990, through the division of the Corporation that carries out volunteer programs, the programs and activities that are being carried out under—

(i) title III of the National and Community Service Act of 1990; and

(ii) parts B and C of title I, and parts A, B, and C, of title II, of the Domestic Volunteer Service Act of 1973.

(2) REPORT.—Not later than 21 months after the amendments made by section 121 take effect, the Director of the Corporation for National Service and Community Volunteers shall submit to the appropriate committees of Congress a report containing—

(A) the findings and conclusions of the Director, based on the study described in paragraph (1); and

(B) recommendations for legislative reform to carry out—

(i) the programs and activities specified in paragraph (1)(A) under subtitle C of title I of the National and Community Service Act of 1990; and

(ii) the programs and activities specified in paragraph (1)(B) under subtitle B of such title.

(3) MODIFICATION.—Notwithstanding any other provision of this Act and to the extent the Corporation for National Service and Community Volunteers determines it is appropriate and fiscally responsible, the Corporation may include in the report recommendations to reduce the period between the date of the enactment of this Act and the effective date provided in section 201(b).

(4) EFFECT OF RECOMMENDATIONS.—Unless the Congress enacts a disapproval resolution under the procedures described in section 203 not later than the date that is 90 days after the submission of the report described in paragraph (2), on such date, the recommendations contained within the report shall have the force of law.

(b) REGULATIONS.—

(1) IN GENERAL.—The Director shall issue such regulations as are necessary to provide for a transition to the implementation of the

programs and activities specified in subsection (a)(1).

(2) CONSIDERATIONS.—In promulgating the regulations described in paragraph (1) the Director shall take into consideration the findings and conclusions of the study described in subsection (a)(1).

SEC. 203. RULES GOVERNING CONGRESSIONAL CONSIDERATION.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of disapproval resolutions described in subsection (b), and supersedes other rules only to the extent that such rules are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) TERMS OF THE RESOLUTION.—For purposes of this Act, the term "disapproval resolution" means only a joint resolution of the two Houses of the Congress, providing in—

(1) the matter after the resolving clause of which is as follows: "That the Congress disapproves the action of the Director of the Corporation for National Service and Community Volunteers as submitted by the Director on _____", the blank space being filled in with the appropriate date; and

(2) the title of which is as follows: "Joint Resolution disapproving the action of the Director of the Corporation for National Service and Community Volunteers".

(c) INTRODUCTION AND REFERRAL.—On the day on which the report describing the action of the Director of the Corporation for National Service and Community Volunteers is transmitted to the House of Representatives and the Senate, a disapproval resolution with respect to such action shall be introduced (by request) in the House of Representatives by the Majority Leader of the House, for himself and the Minority Leader of the House, or by Members of the House designated by the Majority Leader of the House, for himself and the Minority Leader of the House, or by Members of the House designated by the Majority Leader and Minority Leader of the House; and shall be introduced (by request) in the Senate by the Majority Leader of the Senate, for himself and the Minority Leader of the Senate, or by Members of the Senate designated by the Majority Leader and Minority Leader of the Senate. If either House is not in session on the day on which such an action is transmitted, the disapproval resolution with respect to such action shall be introduced in the House, as provided in the preceding sentence, on the first day thereafter on which the House is in session. The disapproval resolution introduced in the House of Representatives and the Senate shall be referred to the appropriate committees of each House.

(d) AMENDMENTS PROHIBITED.—No amendment to a disapproval resolution shall be in order in either the House of Representatives or the Senate, and no motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), if the committee or committees of either House to which a disapproval resolution has been referred have not reported it at the close of the 45th day after its introduction, such committee or committees shall be automatically discharged from further consideration of the disapproval resolution and it shall be placed on the appropriation calendar. A vote on final passage of the disapproval resolution shall be taken in each House on or before the close of the 45th day after the disapproval resolution is reported by the committees or committee of that House to which it was referred, or after such committee or committees have been discharged from further consideration of the disapproval resolution. If prior to the passage by one House of a disapproval resolution of that House, that House receives the same disapproval resolution from the other House then—

(A) the procedure in that House shall be the same as if no disapproval resolution had been received from the other House; but

(B) the vote on final passage shall be on the disapproval resolution of the other House.

(2) COMPUTATION OF DAYS.—For purposes of paragraph (1), in computing a number of days in either House, there shall be excluded any day on which the House is not in session.

(f) FLOOR CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(1) MOTION TO PROCEED.—A motion in the House of Representatives to proceed to the consideration of a disapproval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) DEBATE.—Debate in the House of Representatives on a disapproval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the disapproval resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit a disapproval resolution or to move to reconsider the vote by which a disapproval resolution is agreed to or disagreed to.

(3) MOTION TO POSTPONE.—Motions to postpone, made in the House of Representatives with respect to the consideration of a disapproval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) APPEALS.—All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a disapproval resolution shall be decided without debate.

(5) GENERAL RULES APPLY.—Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a disapproval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(g) FLOOR CONSIDERATION IN THE SENATE.—

(1) MOTION TO PROCEED.—A motion in the Senate to proceed to the consideration of a disapproval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) GENERAL DEBATE.—Debate in the Senate on a disapproval resolution, and all debatable motions and appeals in connection

therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

(3) **DEBATE OF MOTIONS AND APPEALS.**—Debate in the Senate on any debatable motion or appeal in connection with a disapproval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the disapproval resolution, except that in the event the manager of the disapproval resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the Minority Leader or the designee of the Minority Leader. Such leaders, or either of the leaders, may, from time under their control on the passage of a disapproval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) **OTHER MOTIONS.**—A motion in the Senate to further limit debate is not debatable. A motion to recommit a disapproval resolution is not in order.

(h) **POINT OF ORDER REQUIRING SUPERMAJORITY FOR MODIFICATIONS TO ACTIONS ONCE APPROVED.**—

(1) **IN GENERAL.**—It shall not be in order in the House of Representatives or the Senate to consider any amendment to the actions of the Director of the Corporation for National Service and Community Volunteers except as provided in paragraph (2).

(2) **WAIVER.**—The point of order described in paragraph (1) may be waived or suspended in the House of Representatives or the Senate only, by the affirmative vote of three-fifths of the Members duly chosen and sworn.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.
(a) **NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS.**—Section 501 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081) is amended to read as follows:

"SEC. 501. NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS AUTHORIZATION.

"(a) VOLUNTEERS IN SERVICE TO AMERICA PROGRAM.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out part A of title I (except section 109) \$45,800,000 for each of fiscal years 1994 and 1995.

"(2) LITERACY ACTIVITIES.—There are authorized to be appropriated to carry out subsections (c) and (d) of section 109 and to expand the number of VISTA Literacy Corps volunteers in literacy programs and projects under part A of title I of this Act \$5,000,000 for each of fiscal years 1994 and 1995.

"(b) STUDENT COMMUNITY SERVICE PROGRAMS.—There are authorized to be appropriated to carry out part B of title I of this Act \$2,200,000 for each of fiscal years 1994 and 1995.

"(c) SPECIAL VOLUNTEER PROGRAMS.—
"(1) PROGRAM ACTIVITIES AND DRUG ABUSE PREVENTION ACTIVITIES.—

"(A) PROGRAM ACTIVITIES.—There are authorized to be appropriated to carry out part C of title I of this Act (other than section 124(b)) such sums as may be necessary for each of the fiscal years 1994 and 1995.

"(B) DRUG ABUSE PREVENTION ACTIVITIES.—In addition to the amounts authorized to be appropriated by subparagraph (A), there are authorized to be appropriated for support of drug abuse prevention such sums for each of the fiscal years 1994 and 1995.

"(C) USE OF FUNDS.—With respect to amounts appropriated for any fiscal year pursuant to subparagraph (B), the Director—

"(i) shall use not more than 25 percent of such amounts for purposes of carrying out section 124(b); and

"(ii) shall ensure that not more than \$500,000 is used for administrative costs of programs carried out under such part.

"(2) LITERACY CHALLENGE GRANTS.—Except as provided in paragraph (3) and in addition to the amounts authorized to be appropriated pursuant to paragraph (1) there are authorized to be appropriated for Literacy Challenge Grants under section 125 such sums as may be necessary for each of the fiscal years 1994 and 1995.

"(3) LIMITATION.—No funds shall be appropriated pursuant to paragraph (2) in any fiscal year unless—

"(A) the funds available in such fiscal year for the VISTA Program under part A of title I are sufficient to provide the years of volunteer service specified for such fiscal year under subsection (d)(1) for the VISTA Program; and

"(B) the funds available in such fiscal year for the VISTA Literacy Corps under part A of title I are sufficient to provide at least the same years of volunteer service as were provided in the fiscal year preceding such fiscal year.

"(d) VOLUNTEER SERVICE REQUIREMENT.—

"(1) VOLUNTEER SERVICE YEARS.—Of the amounts appropriated under this section for parts A, B, and C of title I (other than section 124(b)) and for sections 109(c) and 109(d), there shall first be available for part A of title I (other than section 109), an amount not less than the amount necessary to provide 3,400 years of volunteer service in each of fiscal years 1994 and 1995.

"(2) DEFINITION.—For purposes of paragraph (1), the term 'volunteer service' shall include training and other support required under this Act for purposes of part A of title I.

"(3) CALCULATION.—

"(A) COSTS OF COMPLIANCE.—In applying criteria with respect to meeting the number of years of volunteer service under paragraph (1) for a fiscal year, the Director may not exclude the costs of complying with section 105(b)(2) for each volunteer under this part.

"(B) ALLOWANCES FOR SUBSISTENCE.—The minimum level of allowances for subsistence required under section 105(b)(2) to be provided to each volunteer under this part may not be reduced or limited in order to provide for the increase in the number of years of volunteer service specified in paragraph (1) for each of the fiscal years 1994 and 1995.

"(C) REALLOCATION.—If the Director determines that funds appropriated to carry out part A of title I are insufficient to provide for the years of volunteer service as required in paragraph (1), the Director shall, within a reasonable period of time in advance of the date on which such additional funds shall be reallocated to satisfy the requirements of such subsection, notify the relevant authorizing and appropriating Committees of Congress. Funds shall be reallocated to part A of title I from amounts appropriated for part C of such title prior to the reallocation of funds appropriated for other parts.

"(e) LIMITATION.—No part of the funds authorized under subsection (a) may be used to provide volunteers or assistance to any program or project authorized under part B or C of title I, or under title II, unless the program or project meets the antipoverty criteria of part A of title I."

(b) OLDER AMERICANS VOLUNTEER PROGRAMS.—Section 502 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082) is amended to read as follows:

"SEC. 502. OLDER AMERICANS VOLUNTEER PROGRAMS.

"(a) RETIRED SENIOR VOLUNTEER PROGRAM.—There are authorized to be appro-

priated to carry out programs under part A of title II of this Act \$37,054,000 for each of the fiscal years 1994 and 1995.

"(b) FOSTER GRANDPARENT PROGRAM.—There are authorized to be appropriated to carry out programs under part B of title II of this Act \$71,284,000 for each of the fiscal years 1994 and 1995.

"(c) SENIOR COMPANION PROGRAM.—There are authorized to be appropriated to carry out part C of title II of this Act \$32,509,000 for each of the fiscal years 1994 and 1995."

(c) ADMINISTRATION AND COORDINATION.—Section 504 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5084) is amended to read as follows:

"SEC. 504. ADMINISTRATION.

"For each of the fiscal years 1994 and 1995, there is authorized to be appropriated for the administration of this Act, as authorized in title IV, 10 percent of the total amount appropriated under sections 501 and 502 for such year."

SEC. 205. CONSTRUCTION.

Nothing in this Act, or any amendment made by this Act, shall be construed to modify the amount of the financial assistance or benefits received by a participant or volunteer for participation or volunteer service in a program or activity carried out under a provision described in section 201(a), as in effect on the day before the date of enactment of this Act.

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 301. DEFINITIONS.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(8) the term 'Corporation' means the Corporation for National Service and Community Volunteers established under section 191 of the National and Community Service Act of 1990; and

"(9) the term 'Inspector General' means the Inspector General of ACTION."

SEC. 302. REFERENCES TO THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(1) Section 1092(b) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 12653a note) is amended—

(A) in paragraph (1)—

(i) by striking "Commission on National Community Service" and inserting "Corporation for National Service and Community Volunteers"; and

(ii) by striking "Commission shall prepare" and inserting "Board of Directors of the Corporation shall prepare"; and

(B) in paragraph (2), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Board of Directors of the Corporation for National Service and Community Volunteers".

(2) Section 1093(a) of such Act (42 U.S.C. 12653a note) is amended by striking "the Board of Directors and Executive Director of the Commission on National and Community Service" and inserting "the Board of Directors and Director of the Corporation for National Service and Community Volunteers".

(3) Section 1094 of such Act (Public Law 102-484; 106 Stat. 2535) is amended—

(A) in the title, by striking "commission on national and community service" and inserting "corporation for national service and community volunteers";

(B) in subsection (a)—

(i) in the heading, by striking "COMMISSION" and inserting "CORPORATION";

(ii) in the first sentence, by striking "Commission on National and Community Service" and inserting "Corporation for National Service and Community Volunteers"; and

(iii) in the second sentence, by striking "The Commission" and inserting "The Director of the Corporation"; and

(C) in subsection (b)—

(i) in paragraph (1), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Director of the Corporation for National Service and Community Volunteers"; and

(ii) in paragraph (2), by striking "the Commission" and inserting "the Director of the Corporation for National Service and Community Volunteers";

(4) Section 1095 of such Act (Public Law 102-484; 106 Stat. 2535) is amended in the heading for subsection (b) by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL SERVICE AND COMMUNITY VOLUNTEERS";

(5) Section 2(b) of such Act (Public Law 102-484; 106 Stat. 2315) is amended by striking the item relating to section 1094 of such Act and inserting the following:

"Sec. 1094. Other programs of the Corporation for National Service and Community Volunteers."

(b) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) Sections 159(b)(2) (as redesignated in section 141(a)(2)(C) of this Act), and 165 (as redesignated in section 141(a)(2)(C) of this Act), subsections (a) and (b) of section 172, sections 176(a) and 177(c), and subsections (a), (b), and (d) through (h) of section 179, of the National and Community Service Act of 1990 (42 U.S.C. 12653h(b)(2), 12653n, 12632 (a) and (b), 12636(a), 12637(c), and 12639 (a), (b), and (d) through (h)) are each amended by striking the term "Commission" each place the term appears and inserting "Corporation".

(2) Sections 152, 157(b)(2), 162(a)(2)(C), 164, and 166(1) of such Act (in each case, as redesignated in section 141(a)(2)(C) of this Act) (42 U.S.C. 12653a, 12653f(b)(2), 12653k(a)(2)(C), 12653m, and 12653o(1)) are each amended by striking "Commission on National and Community Service" and inserting "Corporation".

(3) Section 163(b)(9) of such Act (as redesignated in section 141(a)(2)(C) of this Act) (42 U.S.C. 12635l(b)(9)) is amended by striking "Chair of the Commission on National and Community Service" and inserting "Director".

(4) Section 303(a) of such Act (42 U.S.C. 12662(a)) is amended—

(A) by striking "The President" and inserting "The President, acting through the Corporation";

(B) by inserting "in furtherance of activities under section 302" after "section 501(b)"; and

(C) by striking "the President" both places the term appears and inserting "the Corporation".

SEC. 303. REFERENCES TO DIRECTORS OF THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) DIRECTOR OF THE CORPORATION.—

(1) Section 159(a) of such Act (as redesignated in section 141(a)(2)(C) of this Act) (42 U.S.C. 12653h(a)) is amended—

(A) by striking "BOARD.—The Board" and inserting "SUPERVISION.—The Director of the Corporation";

(B) by striking "the Board" in the matter preceding paragraph (1) and in paragraph (1) and inserting "the Director of the Corporation"; and

(C) by striking "the Director" in paragraph (1) and inserting "the Board".

(2) Section 159(b) of such Act (as redesignated in section 141(a)(2)(C) of this Act) (42 U.S.C. 12653h(b)) is amended by striking "(b)" and all that follows through "Commission on National and Community Service" and inserting "(b) MONITORING AND COORDINATION.—The Director of the Corporation".

(3) Section 159(c)(1) (as redesignated in section 141(a)(2)(C) of this Act) (12653h(c)(1)) is amended—

(A) in subparagraph (A), by striking "the Board, in consultation with the Executive Director," and inserting "the Director of the Corporation"; and

(B) in subparagraph (B)(iii), by striking "the Board through the Executive Director" and inserting "the Director of the Corporation";

(4) Section 166 (as redesignated in section 141(a)(2)(C) of this Act) (42 U.S.C. 12653o) is amended—

(A) in paragraph (5), by inserting "except when used as part of the term 'Director of the Corporation,'" before "means";

(B) by striking paragraph (6); and

(C) by redesignating paragraphs (7) through (11) as paragraphs (6) through (10), respectively.

(b) DIRECTOR OF CIVILIAN COMMUNITY CORPS.—Sections 155(a), 157(b)(1)(A), 158(a), 159(c)(1)(A), and 163(a) (in each case, as redesignated in section 141(a)(2)(C) of this Act) of the National and Community Service Act of 1990 (42 U.S.C. 12653d(a), 12653f(b)(1)(A), 12653g(a), 12653h(c)(1)(A), and 12653l(a)) are amended by striking "Director of the Civilian Community Corps" each place the term appears and inserting "Director".

SEC. 304. DEFINITION OF DIRECTOR.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) the term 'Director' means the Director of the Corporation for National Service and Community Volunteers appointed under section 193 of the National and Community Service Act of 1990;"

SEC. 305. REFERENCES TO ACTION AND THE ACTION AGENCY.

(a) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(1) The table of contents of the Act is amended by striking the item relating to section 112 and inserting the following:

"Sec. 112. Authority to operate University Year for VISTA program."

(2) Section 2(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950(b)) is amended—

(A) by striking "ACTION, the Federal domestic volunteer agency," and inserting "this Act"; and

(B) by striking "ACTION shall" and inserting "the Corporation for National Service and Community Volunteers shall".

(3) Section 103 (42 U.S.C. 4953) is amended—

(A) in subsection (b)—

(i) in paragraphs (2), (5), and (6), by striking "ACTION Agency" each place the term appears and inserting "Corporation"; and

(ii) in paragraph (6), by striking "regional ACTION office" and inserting "regional office of the Corporation"; and

(B) in subsection (c)(1)(D), by striking "ACTION Agency" and inserting "Corporation".

(4) Section 105(b) (42 U.S.C. 4955(b)) is amended in paragraphs (3)(A) and (4) by striking "ACTION Agency" and inserting "Corporation".

(5) Part B of title I (42 U.S.C. 4971 et seq.) is amended—

(A) in the part heading, to read as follows:

"PART B—UNIVERSITY YEAR FOR VISTA";

(B) by striking "University Year for ACTION" each place that such term appears in such part and inserting "University Year for VISTA";

(C) by striking "UYA" each place that such term appears in such part and inserting "UYV"; and

(D) in section 112 (42 U.S.C. 4972) by striking the section heading and inserting the following new section heading:

"AUTHORITY TO OPERATE UNIVERSITY YEAR FOR VISTA PROGRAM".

(6) Section 125(b) of such Act (42 U.S.C. 4995(b)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(7) Section 225(e) of such Act (42 U.S.C. 5025(e)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(8) Section 403(a) of such Act (42 U.S.C. 5043(a)) is amended—

(A) by striking "the ACTION Agency" the first place such term appears and inserting "the Corporation under this Act"; and

(B) by striking "the ACTION Agency" the second place such term appears and inserting "the Corporation".

(9) Section 407(5) (42 U.S.C. 5047(5)) is amended by striking "ACTION Agency" and inserting "Corporation".

(10) Section 408 of such Act (42 U.S.C. 5048) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(11) Section 416(f)(1) (42 U.S.C. 5056(f)(1)) is amended by striking "ACTION Agency" and inserting "Corporation".

(12) Section 420(b) (42 U.S.C. 5060(b)) is amended by striking "ACTION Agency" and inserting "Corporation".

(13) Section 421(9) of such Act (as added by section 301 of this Act) is further amended by striking "ACTION" and inserting "the Corporation".

(14) Section 702(a) (42 U.S.C. 5091a(a)) is amended by striking "of the ACTION Agency".

(15) Section 713(2) (42 U.S.C. 5091l(2)) is amended by striking "ACTION agency" and inserting "Corporation".

(b) INSPECTOR GENERAL.—

(1) TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.—Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking "ACTION".

(2) TRANSFER.—Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subparagraph (T), by striking "and" at the end; and

(B) by adding at the end the following: "(V) of the Corporation for National Service and Community Volunteers, the Office of Inspector General of ACTION; and".

(c) PUBLIC HOUSING SECURITY.—Section 207(c) of the Public Housing Security Demonstration Act of 1978 (Public Law 95-557; 92 Stat. 2093; 12 U.S.C. 1701z-6 note) is amended—

(1) in paragraph (3)(ii), by striking "ACTION" and inserting "the Corporation for National Service and Community Volunteers"; and

(2) in paragraph (4), by striking "ACTION" and inserting "the Corporation for National Service and Community Volunteers".

(d) NATIONAL FOREST VOLUNTEERS.—Section 1 of the Volunteers in the National Forests Act of 1972 (16 U.S.C. 558a) is amended by striking "ACTION" and inserting "the Corporation for National Service and Community Volunteers".

(e) PEACE CORPS.—Section 2A of the Peace Corps Act (22 U.S.C. 2501-1) is amended by inserting after "the ACTION Agency" the following: ", the successor to the ACTION Agency."

(f) INDIAN ECONOMIC DEVELOPMENT.—Section 502 of the Indian Financing Act of 1974 (25 U.S.C. 1542) is amended by striking "ACTION Agency" and inserting "the Corporation for National Service and Community Volunteers".

(g) OLDER AMERICANS.—The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended—

(1) in section 202(c)(1) (42 U.S.C. 3012(c)(1)), by striking "the Director of the ACTION Agency" and inserting "the Corporation for National Service and Community Volunteers";

(2) in section 203(a)(1) (42 U.S.C. 3013(a)(1)), by striking "the ACTION Agency" and inserting "the Corporation for National Service and Community Volunteers"; and

(3) in section 422(b)(12)(C) (42 U.S.C. 3035a(b)(12)(C)), by striking "the ACTION Agency" and inserting "the Corporation for National Service and Community Volunteers".

(h) VISTA SERVICE EXTENSION.—Section 101(c)(1) of the Domestic Volunteer Service Act Amendments of 1989 (Public Law 101-204; 103 Stat. 1810; 42 U.S.C. 4954 note) is amended by striking "Director of the ACTION Agency" and inserting "Director of the Corporation for National Service and Community Volunteers".

(i) AGING RESOURCE SPECIALISTS.—Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended—

(1) in paragraph (1)—

(A) by striking "the ACTION Agency," and inserting "the Corporation for National Service and Community Volunteers"; and

(B) by striking "the Director of the ACTION Agency" and inserting "the Director of the Corporation";

(2) in paragraph (2)(A), by striking "ACTION Agency" and inserting "Corporation"; and

(3) in paragraph (3), by striking subparagraph (A) and inserting the following new subparagraph:

"(A) the term 'Corporation' means the Corporation for National Service and Community Volunteers established by section 191 of the National and Community Service Act of 1990."

(j) PROMOTION OF PHOTOVOLTAIC ENERGY.—Section 11(a) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5590) is amended by striking "the Director of ACTION."

(k) COORDINATING COUNCIL ON JUVENILE JUSTICE.—Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "the Director of the ACTION Agency" and inserting "the Director of the Corporation for National Service and Community Volunteers".

(l) ENERGY CONSERVATION.—Section 413(b)(1) of the Energy Conservation and Production Act (42 U.S.C. 6863(b)(1)) is amended by striking "the Director of the ACTION Agency."

(m) INTERAGENCY COUNCIL ON THE HOMELESS.—Section 202(a) of the Stewart B.

McKinney Homeless Assistance Act (42 U.S.C. 11312(a)) is amended by striking paragraph (12) and inserting the following new paragraph:

"(12) The Director of the Corporation for National Service and Community Volunteers, or the designee of the Director."

(n) ANTI-DRUG ABUSE.—Section 3601 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) the term 'Director' means the Director of the Corporation for National Service and Community Volunteers."

(o) ADMINISTRATION ON CHILDREN, YOUTH, AND FAMILIES.—Section 916(b) of the Claude Pepper Young Americans Act of 1990 (42 U.S.C. 12312(b)) is amended by striking "the Director of the ACTION Agency" and inserting "the Director of the Corporation for National Service and Community Volunteers".

SEC. 306. EFFECTIVE DATE.

(a) COMMISSION.—The amendments made by sections 301 through 303 will take effect on October 1, 1993.

(b) ACTION.—The amendments made by sections 304 and 305 shall take effect on the effective date of section 163(c)(2).

COVERDELL AMENDMENT NO. 604

Mr. COVERDELL proposed an amendment to the bill (S. 919), supra; as follows:

At the end of the bill, add the following:

SEC. . DELAY OF SPENDING UNTIL FISCAL YEAR 1993 EMERGENCY DEFICIT INCREASE IS ELIMINATED.

The provisions of titles, I, II, and IV of this Act shall not take effect until the Director of the Office of Management and Budget certifies that the total amount of deficit increase for fiscal year 1993 resulting from budget authority contained in supplemental appropriations Acts and declared to be emergency spending under the provisions of section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 has been eliminated through rescissions and transfers of funds.

GLENN AMENDMENT NO. 605

Mr. GLENN proposed an amendment to the bill (S. 919), supra; as follows:

On page 264, insert after the item relating to section 203 the following new item:

Sec. 204. Business plan.

On page 458, strike out lines 17 and 18 and insert in lieu thereof the following:

"(6) receive any report as provided under section 8E (b), (c), or (d) of the Inspector General Act of 1978;

On page 468, beginning with line 15, strike out all through line 2 on page 469.

On page 488, strike out lines 14 through 22, and insert in lieu thereof the following:

(h) INSPECTOR GENERAL.—

(1) SPECIAL PROVISIONS IN INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating sections 8E and 8F as sections 8F and 8G, respectively, and inserting after section 8D the following new section:

"SPECIAL PROVISIONS CONCERNING THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

"SEC. 8E. (a) Notwithstanding the provisions of section 6(a) (7) and (8), it is within the exclusive jurisdiction of the Inspector General of the Corporation for National and Community Service to—

"(1) appoint and determine the compensation of such officers and employees in ac-

cordance with section 195(a)(4) of the National and Community Service Trust Act of 1993; and

"(2) procure the temporary and intermittent services of and compensate such experts and consultants, in accordance with section 3109(b) of title 5, United States Code,

as may be necessary to carry out the functions, powers, and duties of the Inspector General.

"(b) No later than the date on which the President of the Corporation for National and Community Service transmits any report to the Congress under section 5 (a) or (b), the President shall transmit such report to the Board of Directors of such Corporation.

"(c) No later than the date on which the President of the Corporation for National and Community Service transmits a report described under section 5(b) to the Board of Directors as provided under subsection (b) of this section, the President shall also transmit any audit report which is described in the statement required under section 5(b)(4) to the Board of Directors. All such audit reports shall be placed on the agenda for review at the next scheduled meeting of the Board of Directors following such transmittal. The President of the Corporation shall be present at such meeting to provide any information relating to such audit reports.

"(d) No later than the date on which the Inspector General of the Corporation for National and Community Service reports a problem, abuse, or deficiency under section 5(d) to the President of the Corporation, the President shall report such problem, abuse, or deficiency to the Board of Directors."

(2) TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.—

(A) IN GENERAL.—Section 8F(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) (as redesignated by paragraph (1) of this subsection) is amended by striking out "ACTION."

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(3) TRANSFER.—

(A) IN GENERAL.—Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(i) in subparagraph (T), by striking out "and" at the end thereof; and

(ii) by adding at the end thereof the following new subparagraph:

"(V) of the Corporation for National and Community Service, the Office of Inspector General of ACTION; and"

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(4) HEAD OF ESTABLISHMENT AND ESTABLISHMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by inserting "the President of the Corporation for National and Community Service;" after "Thrift Depositor Protection Oversight Board"; and

(B) in paragraph (2) by inserting "the Corporation for National and Community Service," after "United States Information Agency".

(5) TECHNICAL AND CONFORMING AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in section 4(b)(2)—

(i) by striking out "section 8E(a)(2), and any" and inserting in lieu thereof "section 8F(a)(2), and any";

(ii) by striking out "section 8E(a)(1)" and inserting in lieu thereof "section 8F(a)(1)"; and

(iii) by striking out "section 8E(a)(2)." and inserting in lieu thereof "section 8F(a)(2)."; and

(B) section 8G (as redesignated by paragraph (1) of this subsection)—

(i) by striking out "or 8D" and inserting in lieu thereof "8D, or 8E"; and

(ii) by striking out "section 8E(a)" and inserting in lieu thereof "section 8F(a)".

(6) POSTAL SERVICE TECHNICAL AND CONFORMING AMENDMENTS.—Section 410(b) of title 39, United States Code, is amended—

(A) in paragraph (8) by striking out "and" after the semicolon;

(B) in the first paragraph (9) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(C) by striking out the second paragraph (9) and inserting in lieu thereof the following:

"(10) the provisions of section 8F of the Inspector General Act of 1978."

On page 489, line 5, insert "or subsection (h) (2) and (3)" before the comma.

On page 501, insert between lines 5 and 6 the following:

SEC. 204. BUSINESS PLAN.

(a) BUSINESS PLAN REQUIRED.—

(1) IN GENERAL.—The Corporation for National and Community Service (referred to in this section as the "Corporation") shall prepare and submit to Congress a business plan. The Corporation may not provide assistance under section 121 of the National and Community Service Act of 1990 before the twentieth day of continuous session of Congress after the date on which the Corporation submits the business plan to Congress.

(2) COMPUTATION.—For purposes of the computation of the 20-day period referred to in paragraph (1), continuity of a session of the Congress shall be considered to be broken only by—

(A) an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a date certain.

(b) REQUIRED ELEMENTS OF BUSINESS PLAN.—

(1) ALLOCATION OF FUNDS.—The business plan shall contain—

(A) a description of the manner in which the Corporation will allocate funds for programs carried out by the Corporation after October 1, 1993;

(B) information on the principal offices and officers of the Corporation that will allocate such funds; and

(C) information that indicates how accountability for such funds can be determined, in terms of the office or officer responsible for such funds.

(2) INVESTIGATIVE AND AUDIT FUNCTIONS.—The business plan shall include a description of the plans of the Corporation—

(A) to ensure continuity, during the transition period, and after the transition period, in the investigative and audit functions carried out by the Inspector General of ACTION prior to such period, consistent with the Inspector General Act of 1978 (5 U.S.C. App.); and

(B) to carry out investigative and audit functions and implement financial management controls regarding programs carried out by the Corporation after October 1, 1993, consistent with the Inspector General Act of 1978, including a specific description of—

(i) the manner in which the Office of Inspector General shall be established in the Corporation, in accordance with section 194(b) of the National Community Service

Act of 1990, as added by section 202 of this Act; and

(ii) the manner in which grants made by the Corporation shall be audited by such Office and the financial management controls that shall apply with regard to such grants and programs.

(3) ACCOUNTABILITY MEASURES.—The business plan shall include a detailed description of the accountability measures to be established by the Corporation to ensure effective control of all funds for programs carried out by the Corporation after October 1, 1993.

(4) INFORMATION RESOURCES.—The business plan shall include a description of an information resource management program that will support the program and financial management needs of the Corporation.

(5) CORPORATION STAFFING AND INTEGRATION OF ACTION.—

(A) TRANSFERS.—The business plan shall include a report on the progress and plans of the President for transferring the functions, programs, and related personnel of ACTION to the Corporation, and shall include a timetable for the transfer. Not later than 9 months after the date of enactment of this section, the President shall identify all functions of ACTION to be transferred to the Corporation.

(B) DETAILS AND ASSIGNMENTS.—The report shall specify the number of ACTION employees detailed or assigned to the Corporation, and describe the hiring activity of the Corporation, during the transition period.

(C) STRUCTURE.—The business plan shall include a description of the organizational structure of the Corporation during the transition period.

(D) STAFFING.—The business plan shall include a description of—

(i) measures to ensure adequate staffing during the transition period with respect to programs carried out by the Corporation after October 1, 1993; and

(ii) the responsibilities and authorities of the Managing Directors and other key personnel of the Corporation.

(E) SENIOR EXECUTIVE SERVICE.—The business plan shall include—

(i) an explanation of the number of the employees of the Corporation who will be paid at or above the rate of pay for level 1 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code; and

(ii) information justifying such pay for such employees.

(6) DUPLICATION OF FUNCTIONS.—The business plan shall include a description of the measures that the Corporation is taking or will take to minimize duplication of functions in the Corporation caused by the transfer of the functions of the Commission on National and Community Service, and the transfer of the functions of ACTION, to the Corporation. This description shall address functions at both the national and State levels.

(c) DEFINITION.—The term "transition period" means the period beginning on October 1, 1993 and ending on the day before the effective date of section 203(c)(2).

On page 501, strike lines 15 through 23 and insert in lieu thereof the following:

"(1) SUBTITLES B, C, D, AND H.—

"(A) IN GENERAL.—There are authorized to be appropriated to provide financial assistance under subtitles B, C, and H of title I, to provide national service educational awards under subtitle D of title I, and to carry out such audits and evaluations as the President or the Inspector General of the Corporation may determine to be necessary, \$434,000,000

for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

On page 559, beginning on line 5, strike out all through line 17.

On page 559, line 18, strike out "(d)" and insert in lieu thereof "(c)".

On page 560, line 4, strike out "(e)" and insert in lieu thereof "(d)".

On page 560, line 8, strike out "(f)" and insert in lieu thereof "(e)".

On page 560, line 12, strike out "(g)" and insert in lieu thereof "(f)".

On page 560, line 16, strike out "(h)" and insert in lieu thereof "(g)".

On page 561, line 5, strike out "(i)" and insert in lieu thereof "(h)".

On page 561, line 11, strike out "(j)" and insert in lieu thereof "(i)".

On page 562, line 5, strike out "(k)" and insert in lieu thereof "(j)".

On page 562, line 9, strike out "(l)" and insert in lieu thereof "(k)".

On page 562, line 15, strike out "(m)" and insert in lieu thereof "(l)".

On page 562, line 19, strike out "(n)" and insert in lieu thereof "(m)".

On page 563, line 1, strike out "(o)" and insert in lieu thereof "(n)".

On page 563, line 8, strike out "(p)" and insert in lieu thereof "(o)".

JEFFORDS AMENDMENT NO. 606

Mr. JEFFORDS proposed an amendment to the bill (S. 919), supra, as follows:

Beginning on page 19, strike line 21, and all that follows through line 5 on page 20 and insert the following:

"(1) ESTABLISHMENT.—

"(A) BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to achieve the other purposes of this Act, the Corporation shall establish, and after reviewing the strategic plan approved under section 192A(g)(1), periodically alter priorities as appropriate regarding the types of national service programs to be assisted under section 129(d) and 129(b), and the purposes for which such assistance may be used.

"(B) BY STATES.—States shall establish, and through the national service plan process described in section 178(e)(1), periodically alter priorities as appropriate regarding the national service programs to be assisted under section 129(a)(1)."

On page 33, line 3, strike "may" and insert "shall".

MCCAIN AMENDMENT NO. 607

Mr. MCCAIN proposed an amendment to the bill (S. 919), supra, as follows:

On page 9, strike line 14 and all that follows through page 10, line 2 and insert the following:

"(c) PROVISION OF APPROVED NATIONAL SERVICE POSITIONS AND PROVISION FOR NATIONAL SERVICE EDUCATIONAL AWARDS.—

"(1) IN GENERAL.—As part of the provision of assistance under subsections (a) and (b), the Corporation shall—

"(A) approve the provision of national service educational awards described in subtitle D for the participants who serve in national service programs carried out using such assistance; and

"(B) deposit in the National Service Trust established in section 145(a) an amount equal to the product of—

"(i) the value of a national service educational award under section 147; and

"(ii) the total number of approved national service positions to be provided.

"(2) VETERANS.—The Corporation shall periodically deposit in such National Service Trust an amount sufficient to provide national service educational awards to persons eligible for such awards under section 146(a)(2).

On page 34, line 16, strike the period and insert " in addition to the maximum possible obligations to be incurred by the United States to provide national service educational awards to persons eligible for such awards under section 146(a)(2)."

Beginning on page 73, strike line 13 and all that follows through page 74, line 15 and insert the following:

"(a) ELIGIBLE INDIVIDUALS.—An individual shall be eligible to receive a national service educational award from the National Service Trust if the individual—

"(1)(A) successfully completes the required term of service described in subsection (b) in an approved national service position;

"(B) was 17 years of age or older at the time the individual began serving in the approved national service position or was an out-of-school youth serving in an approved national service position with a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9);

"(C) at the time the individual uses the national service educational award—

"(i) has received a high school diploma, or the equivalent of such diploma;

"(ii)(I) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of section 484(d) of the Higher Education Act of 1965 (20 U.S.C. 1091(d)); and

"(II) meets the requirements of section 484(a) of such Act; or

"(iii) has received a waiver described in section 137(c); and

"(D) is a citizen of the United States or lawfully admitted for permanent residence; or

"(2) subject to such standards and procedures as the Secretary of Defense and the Director of the Corporation shall jointly determine by regulation to be appropriate to limit the number of persons eligible to receive such an award under this paragraph, is a person—

"(A) who served—

"(i) on active duty in the Armed Forces for a period of not less than 2 years; or

"(ii) in a reserve component of the Armed Forces for a period of not less than 4 years;

"(B) who is discharged honorably from such service after October 1, 1995.

On page 74, strike line 19 and insert the following: 139(b). A person eligible under subsection (a)(2) shall be considered to have completed two such full-time terms of service, and such terms shall be considered to have been completed on the day on which the person is discharged or released as described in section 146(a)(2).

DOMENICI AMENDMENT NO. 608

Mr. DOMENICI proposed an amendment to the bill (S. 919), supra, as follows:

On page 85, line 15, strike the end quotation marks and the second period.

On page 85, between lines 15 and 16, insert the following new section:

"SEC. 149. PREREQUISITE FOR FUNDING FOR NATIONAL SERVICE EDUCATIONAL AWARDS.

"Notwithstanding any other provision of law, no funds may be appropriated for any

fiscal year to provide national service educational awards under subtitle D unless—

"(1) the amount appropriated for such fiscal year for each of the following programs is at least equal to the amount appropriated for such program for fiscal year 1993—

"(A) the college work-study program under part C of title IV of the Higher Education Act of 1965;

"(B) the supplemental educational opportunity grant program under subpart 3 of part A of title IV of such Act;

"(C) the State student incentive grant program under subpart 4 of part A of title IV of such Act; and

"(D) the Perkins loan program under part E of title IV of such Act; and

"(2) the amount appropriated for such fiscal year for the Pell grant program under subpart 1 of part A of title IV of such Act is sufficient to provide a maximum grant in an amount equal to or in excess of \$2,300 and is sufficient to pay for any Pell grant funding shortfall in existence on the date of enactment of this section."

On page 85, between lines 20 and 21, in the item relating to section 148, strike the end quotation marks and the second period.

On page 85, between lines 20 and 21, after the item relating to section 148, insert the following new item:

"Sec. 149. Prerequisite for funding for national service educational awards."

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUE. Mr. President, I would like to announce that the Committee on Indian Affairs will be holding a hearing on Thursday, July 22, 1993, beginning at 9:30 a.m., in 485 Russell Senate Office Building on S. 1156, the Catawba Indian Tribe of South Carolina Land Claims Settlement Act of 1993.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on the actinide recycle program and DOE's advanced nuclear reactor program.

The hearing will take place on Thursday, August 5, 1993, at 9:30 a.m., in room SD-366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, attention: Mary Louise Wagner.

For further information, please contact Mary Louise Wagner of the committee staff at 202/224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet in executive session on Wednesday, July 21, 1993, at 9 a.m., to mark up the Department of Defense Authorization Act for Fiscal Year 1994 and other pending legislation.

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

COMMITTEE ON ARMED SERVICES

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, July 21, 1993, at 8 a.m., in open session, to receive testimony on Department of Defense policy on the service of gay men and lesbians in the Armed Forces.

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

COMMITTEE ON FINANCE

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 10 a.m., to hear testimony on the subject of Social Security taxes for domestic workers.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Wednesday, July 21, 1993, at 2 p.m., to hold nomination hearings on the following nominees: Mr. Alan H. Flanigan, of Virginia, to be Ambassador to the Republic of El Salvador; and Mr. John F. Maisto, of Pennsylvania, to be Ambassador to the Republic of Nicaragua.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. WOFFORD. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet for a hearing on Wednesday, July 21, at 2:30 p.m. on the subject: USDA: Does it work or waste?

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

COMMITTEE ON THE JUDICIARY

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 21, 1993, at 10 a.m. to hold a hearing on the nomination of Ruth Bader Ginsburg to be Associate Justice of the Supreme Court of the United States.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be

authorized to meet for a hearing on S. 1190, America Cares, to be chaired by Senator BINGAMAN, during the session of the Senate on Wednesday, July 21, 1993, at 12 noon.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Wednesday, July 21, 1993, at 10 a.m. to hold a hearing on United States policy toward Vietnam.

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

SUBCOMMITTEE ON RURAL ECONOMY AND FAMILY FARMING

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Small Business Subcommittee on Rural Economy and Family Farming be authorized to meet during the session of the Senate on Wednesday, July 21, 1993, at 9:30 a.m. The subcommittee will hold a hearing on the Federal role in rural economic development.

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

SUBCOMMITTEE ON SECURITIES

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, July 21, 1993, at 10 a.m. to conduct a hearing on the impact of litigation on financial reporting.

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

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. WOFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Commerce, Science, and Transportation be authorized to meet at 9:30 a.m. on July 21, 1993, on reauthorization of the Hazardous Materials Transportation Act.

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

ADDITIONAL STATEMENTS

COMMENDING NORDEN SYSTEMS, INC., OF NORWALK, CT

• Mr. DODD. Mr. President, I rise today to applaud Norden Systems, which is located in Norwalk, CT. This company is a wholly owned subsidiary of United Technologies Corp., based in my home State of Connecticut.

Norden is a leading producer and supplier of radar systems to such agencies as the Federal Aviation Administration, as well as a manufacturer of anti-submarine warfare systems. On May 13,

Norden Systems was presented the U.S. Small Business Administration's Dwight D. Eisenhower Award for Excellence in Manufacturing. This award recognizes large prime contractors that have an excellent record of using small and disadvantaged businesses as suppliers and subcontractors.

Norden Systems' outreach efforts, technical assistance and participation at trade shows and procurement conferences are all evidence of the company's commitment to utilizing a broad and diverse range of small businesses. Even to be considered for this award, a company must be the recipient of the SBA's Award of Distinction, an honor that Norden received for the second time last year. Other criteria include: excellence in manufacturing, services, research and development, and construction.

This award recognizes the need for larger corporations to look to smaller, less visible businesses to handle subcontracting work. As our Nation prepares to compete in the next century, it is critical that we foster an integrated economy based on such relationships. I commend Norden on its milestone achievement, and I hope the company continues to strive for excellence in this regard. •

THE 1993 SONY STUDENT PROJECT ABROAD

• Mr. HATFIELD. Mr. President, with our gaze recently focused on the positive results of the G-7 trade talks in Tokyo, now is an excellent time to recognize and nurture global growth and enhance cooperative relationships in our international community. The strong cultural and ethnic ties, as well as the solid trade relationship, my home State of Oregon has with our Japanese neighbors is an example of this expanding spirit of global community.

One further example of the increasingly cooperative relationship between the United States and our Japanese neighbors is found in the 1993 Sony Student Project Abroad. This week, 50 of our Nation's most outstanding high school students, in the areas of math and science, will leave for Japan on a 17-day, all-expense paid, educational program made possible by the generosity of the Sony Corp. of America.

This program offers a unique and exciting opportunity for these young people to explore Sony's role in high technology industries and experience Japanese culture firsthand. With the growing recognition of the need to build a high skills technical work force as we move toward the year 2000, educational opportunities, such as the Sony Student Project Abroad, are essential. Offering a diverse range of activities designed to expose students to the rewarding and challenging careers available in technological industries, the

Sony program will help to encourage interest in these fields in the student participants.

The students will begin their tour with a brief stay in San Diego, where they will tour Sony's facility for manufacturing color picture tubes, televisions, and computer and graphic display monitors. Once they reach Japan, they will meet with top Sony officials, including Chairman Akio Morita. Also included in their travel will be visits to Sony design and manufacturing facilities, where they will enjoy exciting hands-on experiences, including the opportunity to assemble their own Walkman.

Adding to the cultural benefit of the trip, the students will tour many historical sites in Tokyo, as well as visit many ancient shrines and temples in an excursion to Nikko. Of primary importance in gaining a better mutual understanding between citizens of our countries, the students will be weekend guests of a Japanese family and spend a day with Japanese high school students.

This year, two exceptional students from Oregon will be among those selected to participate in the Sony Student Project Abroad: Julie Sayed, a senior at Lake Oswego High School who is ranked first in her class, and Damon Henrie, a senior at Nyssa High School, who has earned a 4.0 GPA. Both of these students have won numerous awards in math and science competitions and are active in their communities, offering an outstanding example to other students.

In fact Mr. President, just last week I received a letter from Julie expressing her anticipation for this trip. Her letter highlights the educational impact of this program. She writes:

In preparation for my coming trip, I have been reading about Japanese life and culture as well as following the recent developments with the U.S.-Japan trade summit. I hope to use this knowledge to help facilitate interesting and informative discussions about U.S.-Japan relations, as well as to enhance my educational and cultural experience in Japan. Upon my return, I hope to be able to share my experiences with my school and community and as a result enhance others' knowledge of the Japanese people as well as cultural awareness.

Clearly, the Sony Student Project Abroad will have an impact not only on Julie, but on the many people with whom she will come into contact upon her return.

Mr. President, I applaud the efforts of the Sony Corp. of America to work to recognize and encourage talented students in the fields of math and science and to foster a better understanding of Japan among young people. This program was instituted in recognition of the 30th anniversary of the founding of the Sony Corp. of America in 1960, and each year since has seen the successful participation of students from across the United States. This

project is a remarkable opportunity for these students to share ideas and experiences with our Japanese friends, while gaining a deeper understanding of America's leading trading partner. ●

REGARDING PHILADELPHIA NAVAL SHIPYARD

● Mr. D'AMATO. Mr. President, 2 months ago, I introduced into the RECORD a copy of an article that appeared in the Philadelphia Naval Shipyard Beacon on April 24, 1992, gloating over the shipyard's winning of the maintenance contract for the U.S.S. *Seattle* and crowing over the involvement of over 100 people in the bid and proposal process.

I was appalled, and pointed out that only because Philadelphia Naval Shipyard [PNSY] was feeding off the Federal trough could it afford such profligacy. By comparison, private yards competing for the *Seattle* had only a tiny handful of employees working on their bids.

I asked the Navy to provide me with the job descriptions of each of the individuals named in the Beacon article; the citations from statute and the Federal Acquisition Regulations [FAR] pertaining to bid proposals; an assessment of whether the participation of any of these individuals violates either statutory law or the FAR; and an explanation of the means by which Navy contracting officers level the playing field for private shipyards that lack the benefit of Uncle Sam's deep pockets when competing against public yards.

The Navy has done so. I will address each in turn over the next several weeks, as well as exploring the actual performance of the yard on the *Seattle*.

First, just who was it at PNSY that put the winning bid together? Mr. President, I realize that cross-training employees is in vogue, but what appears to be happening at Philadelphia is ridiculous. By job title:

- One sheetmetal mechanic leader;
- Two secretaries, typing;
- One file supervisor;
- One management analyst;
- Five production controllers, ships;
- Two supervisory production controllers, ships;
- Four ship schedulers, electrician;
- Two ship schedulers, boilermaker;
- Two ship schedulers, pipefitter;
- Two ship schedulers, marine machinery mechanic;
- One ship schedulers, sheetmetal mechanic;
- One ship scheduler, electronics mechanic;
- Two supervisory ship schedulers, general;
- One computer operator;
- Two clerks;
- One supply clerk;
- One shipwright;
- Four equipment specialists, marine;

- One equipment specialist, electrical;
- Fourteen planner and estimators, pipefitter;

- Ten planner and estimators, marine machinery mechanic;

- Seven planner and estimators, electrician;

- Seven planner and estimators, shipfitter;

- Five planner and estimators, boilermaker;

- Three planner and estimators, sheetmetal;

- Three planner and estimators, electronics mechanic;

- Three planner and estimators, machinist;

- Two planner and estimators, rigger;
- Two planner and estimators, insulator;

- One planner and estimator, plastic fabricator;

- One planner and estimator, shipwright;

- One planner and estimator, painter mechanic;

- One supervisory planner and estimator, general;

- One supervisory electrical engineer;
- One supervisory mechanical engineer;

- One supervisory engineer, interdisciplinary;

- One instrument mechanic;
- One piping systems inspector, ships;

- One industrial engineering technician;

- One production shop planner, sheetmetal mechanic; and,

- One industry economist.

worked on the Philly Shipyard bid. Career broadening, I agree, but who was building and repairing ships while all these employees were, to quote the Beacon, in weekly bid and proposal meetings with 10-12 hour workdays the norm?

This kind of overhead, 100 employees working on a single bid, would be unthinkable in a private firm, buy PNSY pays no penalty for being overstaffed, or for having workers idle. In fact, the more overstaffed and underutilized the shipyard is, the more pressure on the Navy to give these people something to do.

All at the expense of private yards. And the greatest irony of all is the Philly Shipyard was closed by the Base Realignment and Closure Commission in 1991. The Navy offered up this yard first in the base closure process, yet it continues to impoverish the entire eastern seaboard's shipbuilding and repair industry.

Later this week, I will discuss the relevant statutes and regulations concerning private/public shipyard competition. ●

TO COMMEMORATE THE NEWPORT THEATRE BICENTENNIAL

● Mr. CHAFEE. Mr. President, I rise today to pay tribute to the Newport Theatre of Newport, RI, on the occasion of its bicentennial.

The building that the Newport Theatre presently utilizes was built in 1762, and was originally intended to be a public granary. Instead, this three-story building, known to all as the Brick Market, became a market for the local village on the first level. Shortly after the Revolution, the upper story was used as a printing office. It was not until 1793 that the upper stories were fitted to be a playhouse by Mr. Alexandre Placide.

Mr. Placide, a rope dancer at the French court who was forced to flee to the United States during the French Revolution, deserves much of the credit for establishing theatre in Rhode Island. He was the first in the State to obtain a license for holding theatrical entertainments. Mr. Placide and his large family became well known figures in the circles of American playgoers. As a result of Mr. Placide's dedication, the Brick Market Theatre opened on July 3, 1793. Later named the Newport Theatre, this playhouse made a large contribution to the Rhode Island theatre community until 1842.

At the request of the Committee for National Theatre Week the U.S. Postal Service in Newport issued a pictorial cancellation on July 3, 1993, to recognize the Newport Theatre. I encourage all to write to the U.S. postmaster in Newport, RI 02840, to obtain this commemorative cancellation. Finally, I ask my colleagues in the Senate to join with me and all Rhode Islanders to celebrate the bicentennial of this historic institution. ●

WALTER J. BROWN: PIONEER OF SOUTH CAROLINA BROADCASTING

● Mr. HOLLINGS. Mr. President, this Sunday a remarkable South Carolinian, Walter Brown, will celebrate his 80th birthday. Back in the 1940's, Walter was a pioneer in the South Carolina broadcasting industry. He organized the Spartan Radiocasting Co. in 1947 and served as president until being named chairman and CEO in 1988. In the intervening four decades, he built one of the most respected and successful broadcasting enterprises in the South, with its flagship operation at WSPA-AM-FM-TV in Spartanburg, SC. WSPA was South Carolina's first radio station and first frequency modulation station, and the first to broadcast in stereo in the Southeast.

During World War II, Walter Brown had a brief but brilliant career in public service. In the late 1930's, he had worked as a journalist in Washington, managing a news bureau serving newspapers throughout the South. He returned to Washington during the war to serve as special assistant to James F. Byrnes, who had resigned from the Supreme Court to direct FDR's Office of War Mobilization. Walter later served as Jimmy Byrnes' assistant during the latter's tenure as Secretary of

State. As Byrnes' aide, he was a member of the American delegation to the Potsdam conference and to other historical international conferences.

Mr. President, Walter Brown has lived a life of service and achievement, and he is still going strong at age 80. Yet for all his accomplishments, I know that nothing is more important in Walter's life than his family: his wife Ann; two sons, Tom Watson Brown and James Byrnes Brown; and eight grandchildren.

Mr. President, Walter Brown has been a tremendous friend for more decades than I care to acknowledge. I salute this distinguished South Carolinian on his 80th birthday, and I wish him many more to come. ●

THE UNIVERSITY OF PENNSYLVANIA MEDICAL CENTER

● Mr. WOFFORD. Mr. President, comprehensive reform of the American health care system will require a variety of changes in our health care delivery system in the future involving both consumers and providers. One of the changes we, as a society, must take to improve health status while lowering health costs is to pay increased attention to prevention and primary care. I would like to take this opportunity to inform my colleagues of a development in my home State that illustrates how this kind of shift is beginning to take place.

The University of Pennsylvania Medical Center, in a dramatic effort to retain its leadership role among other top level centers of medical education and research, has recently made plans to expand its mission to include community-based primary and preventive care. This new focus at the University of Pennsylvania reflects changes sweeping through our health system in response to market forces and in anticipation of legislative reforms.

To accomplish their goals, the University of Pennsylvania Medical Center intends to take a number of different steps, which include: Acquiring and establishing medical group practices throughout the Philadelphia region; forging new relationships with community hospitals; and strengthening its teaching, training, and research programs for generalists. With the national focus shifting to managed care and organized delivery systems, the University of Pennsylvania will also create its own health plan through which patients will receive all their medical care from a network of providers.

As noted in a recent Philadelphia Inquirer article, the shift at the University of Pennsylvania amounts to a watershed in its history and an important restructuring of its mission as one of the country's elite medical teaching centers. I commend the University of Pennsylvania for its responsiveness to

the changing tides in our health care system. I think it is important for us to take note of such changes occurring at the State and local levels while national health care reform moves to the top of the domestic agenda.

I ask that a copy of this Philadelphia Inquirer article be printed in the RECORD.

The article follows:

[From the Philadelphia Inquirer, July 12, 1993]

PENN WILL MOVE BACK TO BASICS IN HEALTH CARE

(By Gilbert M. Gaul)

In a dramatic shift, the University of Pennsylvania Medical Center, long a fortress for high-tech medicine, superspecialists and sticker-shock prices, is returning to the basics.

With little public fanfare, the region's best-known medical complex has begun to implement sweeping changes that ultimately will shift its focus from hospital care back to the family doctor and preventive medicine.

These moves include buying group medical practices throughout the suburbs, with a goal of building a regional network with upward of 200 general practitioners, pediatricians, obstetricians and internists; changing the way it trains medical students and residents, with an increased emphasis on primary care; forging new links with community hospitals; investing heavily in outpatient services, and starting its own health-coverage plan.

Penn's about-face comes at a turning point in American health care and reflects the rapid changes sweeping through the nation's \$900 billion medical marketplace as governments and insurers struggle to control spiraling costs. These changes threaten all hospitals, but especially big university-based centers with their high costs and heavy emphasis on research, technology and teaching.

In essence, Penn is trying to reinvent itself before government reforms and market forces combine to make it obsolete. To survive, university executives say, Penn must move beyond its ivy walls and build a system in which patients receive all their medical care—from physicals at the family doctor's office to heart transplants at the hospital—from one network. Under pending White House health proposals, such medical-care umbrellas are known as Accountable Health Plans.

In the future, health economists say, large employers and other groups will band together and purchase medical care en masse, with Accountable Health Plans bidding for their business. Providers will have to be positioned to offer comprehensive services at package prices.

"Times are changing. We have to stay ahead of that change—or go out of business," said William N. Kelley, executive vice president of the medical center, which includes Penn's 700-bed hospital, medical college and clinical practices.

The shift by Penn amounts to a watershed in its history and an important restructuring of its mission as one of the country's elite medical teaching centers.

"It might be a bad analogy, but I liken what's happening to when Ford Motor Co. had to stop building big monsters and start building light-weight, fuel-efficient cars. They survived, and that's what we have to do," said Mark A. Kelley, vice dean for clinical affairs and one of the executives overseeing the transition.

Mark Kelley refers to the changes occurring at Penn as "a grand experiment." In that sense, Penn also is a model for the other 125 academic medical centers nationwide. Some of those centers are in the throes of change; others have barely begun to change at all. At risk; nearly \$21 billion in tuition, research grants and hospital fees.

"The challenges are enormous for academic health centers," said former Penn executive C. Edward Schwartz, now CEO of a 400-bed teaching hospital run by University of Nebraska. "We're half a step out ahead of a steamroller. It's moving very quickly. And if we don't change, we're going to get flattened."

But as Penn—and other medical centers—moves beyond its traditional role as a super-specialty hospital and teaching center, it faces new issues. They include:

Relations with insurers. As an Accountable Health Plan, Penn will be in competition with insurers with whom it now does business. What happens if those insurers decide not to use the Hospital of the University of Pennsylvania (HUP)? Penn officials hope it doesn't come to that, and say there's no reason they can't compete and still do business.

Tension between specialists and generalists. The era of the specialist as king in medicine is over, numerous health analysts say. Power is shifting back to the family doctor. As Penn builds its primary-care network and welcomes generalists into its fold, it faces a possible backlash from specialists worried about losing resources and power.

Conflicts with suburban community hospitals. Penn's acquisition of doctors' practices may be viewed as a threat by local hospitals worried about losing patients. William Kelley responds that Penn is not trying to steal patients. In fact, it intends to continue sending patients from its newly acquired primary-care practices to local hospitals—for a simple reason: In most cases, it's cheaper to treat them there than at HUP.

Controlling costs. As an Accountable Health Plan, Penn will face new pressures to hold down costs at its high-tech hospital, no small task. In an Accountable Health Plan, a hospital is no longer a source of revenues; it is a cost center. Expenses have to be strictly controlled, and with research and teaching overhead factored into costs, Penn executives have to find other ways to dampen spending.

The good news is that the local marketplace is still static enough for Penn to create its network and be competitive. At present, only 15 percent to 20 percent of Philadelphia-area residents belong to HMOs or other forms of managed care. By comparison, nearly half the residents of Los Angeles, San Diego and Minneapolis are in managed care.

"It's our feeling that we will end up with a number of large Accountable Health Plans in this region. We want to be positioned to be one of them, which is why we are moving now," said John C.S. Kepner, a health-care lawyer hired by Penn to help develop and administer its primary-care network.

How will the changes affect individuals who join Penn's health plan?

"If we do our job right, and this is going to take time, you will have a seamless organization you can move through. Most care will continue to be delivered in the community. If you need tertiary care, HUP will be here. But after you are treated, you will go back to the community and your family doctor," said Mark Kelley.

The new arrangement also should lower costs, said William Kelley. "Why? Because it can improve care and make care more cost-

efficient, and maybe slow down the increase in medical costs."

To be sure, Penn will continue to run its superspecialized hospital and invest in research. But the key to its future is the development of the primary-care network, which allows it to offer comprehensive medical services and broaden its educational programs.

Until now, Penn's 900-plus clinical faculty has been dominated by specialists. They have served as the role model for medical students and residents and, not surprisingly, greatly affected the specialties chosen by those doctors-in-training. A sign of Penn's priorities: It doesn't offer a residency program in family practice.

With the national focus now shifting to primary and preventive care, Penn has to adjust. That means strengthening its teaching and training programs for generalists. Its new primary-care network offers a vehicle. Penn can send students, residents and fellows out to those centers to train and study with experienced physicians.

"We're in the education business, so we better get smart about where things are shifting—and that's primary care," said Mark Kelley. "The way we do that is to take our trainees and put them out in an environment where they will have a wide range of experiences."

Penn also may start a family-practice residency program. "That's something we are going to give very serious attention to. We need to train people who know how to take care of the whole person," Mark Kelley said.

Implicit in these changes is that if Penn doesn't create a strong educational program for generalists, its image as a top-flight medical college will suffer and it won't attract the best students.

Geographically, Penn plans to build a network of primary-care doctors that extends from Princeton to southern Delaware and the Jersey Shore to west of the Main Line. "Ideally, what we want is the *creme de la creme* in primary care, the leaders in the communities and hospitals, the recognized experts, educationally and clinically, the most revered," said William Kelley.

Penn's first acquisition, which officials expect to close in November, is PMA Medical Specialists, a group medical practice with 25 physicians based in Phoenixville. Its name aside, all the members of the practice are generalists, said the group's president, Dr. Joel W. Eisner.

"Our style of practice, although we all have subspecialties, [is that] each of us is first and foremost a general internist," Eisner said. "We have never allowed ourselves to get out of internal medicine. For example, we all still have to take night call."

Eisner's group has helped to train Penn students informally for a year and a half, Eisner said. As an arm of Penn—which will employ the doctors—its teaching role will expand, with Penn sending medical students, residents and fellows to train at PMA's Phoenixville office and several other satellites.

"We do a different type of teaching here. We function more as preceptors. Students follow us around all day, every day," Eisner said.

As large as PMA is, its owners realized it wasn't big enough "to go it alone. Five years from now, we would have to join with someone. The option was, who do we join with? Ideally, this is a situation with a very prestigious university that will be traversing all of the suburbs," Eisner said.

Penn officials declined to discuss how much they had agreed to pay for PMA, or what the overall cost of the shift to primary care would be. But they said the payback would more than cover the expense.

"If we don't do this," said Mark Kelley, "we die."•

ORDERS FOR THURSDAY, JULY 22, 1993

Mr. WOFFORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m., Thursday, July 22; that following the prayer, the

Journal of the proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the following Senators recognized in the order listed, and for the time limits specified:

Senator DURENBERGER for up to 20 minutes; Senator GRASSLEY for up to 10 minutes; Senator MURKOWSKI for up to 15 minutes, Senator MIKULSKI for up to 10 minutes; Senator RIEGLE or his designee for up to 30 minutes, and Senator LEAHY for up to 15 minutes; that at 10:30 a.m. the Senate resume consideration of S. 919, as under the previous order.

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

RECESS UNTIL TOMORROW AT 8:30 A.M.

Mr. WOFFORD. If there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 8:04 p.m., recessed until Thursday, July 22, 1993, at 8:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 21, 1993:

DEPARTMENT OF DEFENSE

JOHN H. DALTON, OF TEXAS, TO BE SECRETARY OF THE NAVY.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—Wednesday, July 21, 1993

The House met at 10 a.m.

The Reverend Dr. Lawrence H. Phipps, pastor, First Baptist Church, Enterprise, AL, offered the following prayer:

Father, I praise and honor You as the creator and sustainer of our world. I acknowledge that You have provided this Nation in Your world to be an example of freedom, unity, morality, and spirituality.

We, as a nation, have always understood that there are "certain unalienable rights." The commitment to these rights has brought on needed revolutions, here and abroad. Now, help us to be committed to our responsibility so You can bring to us needed revival, here and abroad.

I pray that those who lead through this House of Representatives will always remain aware of this responsibility. May they seek Your wisdom, first. May they seek Your will foremost.

You are the King of this world's kings. You are the Lord of this world's lords. Help us to follow Your Kingship and Lordship.

In Jesus name I pray. 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.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. LAZIO] please come forward and lead the House in the Pledge of Allegiance.

Mr. LAZIO 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.

THE REVEREND DR. LAWRENCE H. PHIPPS

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

Mr. EVERETT. Mr. Speaker, on behalf of the Members of the 103d Congress, today it is with great pride and respect that I welcome Dr. Lawrence Phipps to this historic Chamber. For 3 years, Dr. Phipps has served as my pastor at First Baptist Church of Enterprise, AL.

I, along with many others, have come to recognize and appreciate this man who routinely demonstrates his natural generosity and genuine desire to selflessly meet the needs of those who gather under his wisdom and experience. Dr. Phipps' theological experience has been enhanced by his educational and professional diversity. He received a master of divinity degree and a doctorate degree of ministry while attending Southern Baptist Theological Seminary. Currently, Dr. Phipps continues his association with his former seminary by serving as field supervisor for doctor of ministry students of Southern.

During the last few years, while continuing to perform his pastoral duties, Dr. Phipps has continued to advance within his field. Presently, he sits as a trustee of Samford University in Birmingham, on the tellers committee of the Alabama Baptist Convention, and serves as president of the Alabama Alumni Association of Southern Baptist Theological Seminary. He also is past chairman of the personnel committee for Coffee County Baptist Association.

It is with great pleasure and admiration that I welcome my pastor and personal friend, Dr. Phipps, to deliver today's opening prayer.

THE CLINTON-DEMOCRATIC PLAN: PRO-JOBS AND PRO-SMALL BUSINESS

(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, shortly this body will consider one of the boldest deficit reduction and job creating legislative packages it has ever seen. Central to the plan is the assistance and incentives it provides to small businesses—where the bulk of our new jobs are being created. The Clinton-Democratic plan is a pro-jobs and pro-small business plan containing the balance of cuts and incentives that will finally revive our economy.

Contrary to the disinformation being spread by political opponents of the President's plan, this proposal helps small business. The vast majority—96 percent—of all small businesses will not be affected by any tax increases in the plan. And more importantly, almost 90 percent of small businesses will see some form of tax break in the form of target capital gains, increased expensing, or health care deductions.

Many of those who today criticize the President's plan can hardly afford to. Critical independent groups have in the past endorsed many of the proposals included in the President's plan. Others, as yesterday's Wall Street Journal noted, have mischaracterized the effect of the plan. And those in Congress who are critical have little in their past that shows us how to proceed. Under the previous administration small business failures increased by 77 percent.

The President, and this House, have proposed and endorsed a plan with solid small business incentives. With real potential for job creation. We must finish our job. Pass the President's plan and get our Nation moving forward again.

HOUSE POST OFFICE SCANDAL

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

Mr. PAXON. Mr. Speaker, the House post office scandal represents in microcosm all that is wrong with this House, 40 years of one-party control, doors closed to public scrutiny, and putting personal interest above the public interest.

When the post office scandal first broke, the Democratic leadership assured us that there was nothing wrong, but recent events have proven them wrong. The point is, if Americans cannot trust the Democrats to run a tiny post office, how can folks back home trust the Democrats to balance the budget and to tell the truth about their budget plan?

The Democrats want the American people to believe that their budget, written behind closed doors, will help the economy. But taxpayers now understand that the Democrats' budget, with the largest tax increase in American history, will not reduce the deficit but will place a heavy tax burden on working families, small businesses, and the retired.

Mr. Speaker, it is time for Congress to be honest with the American people, whether it is the House post office scandal or the budget; folks back home deserve to know the truth, they expect no less.

FOREIGN AID: THE SACRED COW

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

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mr. TRAFICANT. Mr. Speaker, what tax will it be: Btu tax, fuel tax, corporate taxes?

Once again Americans are being asked to bite the bullet, but who is kidding whom? This year we passed another \$15 billion foreign aid bill. \$15 billion in foreign aid is equal to a 15-cents-per-gallon fuel tax or the entire Btu tax of this President.

But the truth is foreign aid is a sacred cow and Congress would rather pass taxes on you, the American people, than cut that sacred cow in foreign aid.

I am saying that Congress is right now robbing from Peter to pay Paul, and it does not stop there. Now they are paying Boris and everybody else all over the world.

I am saying it is time to stop this madness. Congress should be ashamed of themselves for continuing to tax the American people and give it away overseas.

DEMOCRATIC LEADERSHIP STONEWALLED ON THE HOUSE POST OFFICE SCANDAL

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

Mr. SANTORUM. Mr. Speaker, on Monday the postmaster, the former postmaster of the House, pled guilty to actions that took place in the House post office, not just in the last couple of years, having to do with embezzlement, but things having to do with 15 years ago. Fifteen years, there has been illegal activity being conducted in the House post office, and all that time the Democratic leadership stonewalled. Reports came out, stonewalled; they slammed the door, barricaded the door, and they said, "No, there is nothing wrong."

We would knock, and they would say, "Nobody is home." And we would walk away. We would knock again, and they would say, "Oh, nobody is home," and we would walk away.

Mr. Speaker, it is time to break down the doors, let the people see what was going on, not just in the post office, ladies and gentlemen, but what was going on in the Speaker's office to continue to cover this scandal up for 15 years. It is time to break down the doors and disclose the information.

□ 1010

SMALL BUSINESS WILL BENEFIT FROM CLINTON PLAN

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

Mr. SKAGGS. Mr. Speaker, they are at it again. The princes of privilege and the dukes of distortion are trying to

scare the American people—this time telling them that the Clinton economic plan hurts small businesses. Nice rhetoric—but far from the truth.

They say that the Clinton plan is bad for the economy. The fact is that the markets have given Clinton a strong vote of confidence—interest rates have fallen to their lowest level in 20 years. And 1 million new jobs have been created since January.

They claim the Clinton plan will stunt the growth of small businesses. The truth is that the President's plan includes incentives targeted specifically to help small businesses invest, grow and prosper. There is a capital gains tax cut for smaller firms; a doubling of the amount of new equipment that can be expensed in the first year; and a host of other expensed provisions that will help small businesses invest in both plant and people.

Clinton's critics do not want you to know about that. Instead, they rant and rave—saying that mom and pop operations are going to be taxed out of business. Again, let us look at the truth. Only 4.3 percent—that's right 4.3 percent—of small business people will see their taxes go up under the Clinton plan.

They don't tell you that. Why? They don't want you to know that those very few small business owners whose taxes will go up are those making, on average, over half a million dollars a year—the same folks still benefiting from the tremendous tax breaks they got during the Reagan-Bush years. Yes indeed, the Clinton plan demands that they start paying their fair share.

With all their misleading talk about what the Clinton plan does, you have to wonder, who are the Republicans really trying to protect?

THE TAX KILLER

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

Mr. KINGSTON. Mr. Speaker, Jerry Clower has a story about Eugene and Clem going coon hunting. Clem chases what he thinks is a raccoon up a tree, only to find it is a bobcat. Immediately they start wrestling, tussling, scratching, and fighting.

Finally Clem hollers down to Eugene, "Gene, shoot this thing. It's killing me."

Gene hollers back, "I can't get a fix on him, Clem."

Gene says, "Well, just shoot up here amongst us. One of us needs some relief."

Mr. Speaker, that bobcat is taxes and Gene and Clem are our constituents. They need some relief. They have been wrestling, fighting, scratching, with this thing called taxes for too long.

The President was elected on the promise of a middle-class tax cut, not a tax increase.

Every weekend that I go home, they holler to me, "Give me some relief. I can't stand these taxes, but they go up and up."

Mr. Speaker, let us give them that relief, because they are going to pull the trigger in November 1994. Let us not fool ourselves with rhetoric now. Folks know a tax increase when they see one, small businesses, working people included.

Mr. Speaker, let us vote "no" on higher taxes. Give them some relief.

SMALL BUSINESS

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

Ms. SHEPHERD. Mr. Speaker, Americans need to know that reducing the deficit means business—and especially small business.

Let us talk about the details of the President's deficit reduction package. The plan doubles the equipment write-off for small business investment. The bill cuts the capital gains tax in half for investment in new, high-technology businesses. The bill extends the deduction for health insurance premiums for the self-employed retroactively.

As the former owner of a small business, I know these policies will help. I know it matters that 96 percent of all small businesses will be free of any tax increases. The Wall Street Journal says opponents of this plan have deliberately misled the American people. This is a time to lead, not mislead. Studies show these provisions will create 200,000 new small business jobs—just the shot in the arm our economy needs.

I urge my colleagues to break the gridlock on Capitol Hill and support the President's deficit reduction plan. It is a vote for small business, not business as usual.

CUT RADIO FREE EUROPE

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

Mr. KLUG. Mr. Speaker, I and a number of my colleagues were frustrated yesterday because we were never allowed to offer an amendment on this floor to cut 15 percent out of the operating budget of Radio Free Europe and Radio Free Liberty, because we were told that \$32 million in cuts would devastate an agency that obviously did good work throughout the cold war, but I and a number of other people think is now in many ways an outdated relic.

Consider these facts this morning in the Washington Post. It turns out that the president of the Munich-based operation receives \$316,000 in salary, including a \$52,000 post allowance for living

expenses and payment of German taxes.

The director of Radio Free Europe receives a package worth \$318,000 and the personnel director gets a package worth \$232,000.

At a time of \$400 billion deficits, we are spending \$250 million a year telling the people of Russia what they already know, that Soviet rule was miserable.

It is time to get serious about the deficit and cut Radio Free Europe and cut these exorbitant salaries.

MISREPRESENTATIONS ABOUT THE ECONOMY

(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, we have been hearing an enormous amount of rhetoric and misrepresentations from groups like the Citizens for a Sound Economy and others about the reconciliation bill before the conference committee and how it is bad for small business.

Well, I commend to your attention an article written yesterday in the Wall Street Journal with the headline, "Foes of Clinton's Tax Boost Proposals Mislead the Public and Firms on Small Business Aspect."

Now, my colleagues have already talked this morning about increasing the expensing for small businesses, more than doubling it, about the targeted capital gains tax relief that was in the House bill; but you know, when it comes right down to it, the most important thing of all that the Clinton proposal does for small business is to keep interest rates low. The prime rate is lower now than it has been in 25 years.

I talked to a constituent from Omaha yesterday who just got a 15-year mortgage for 6¾ percent. That is what is important about this package.

TRIBUTE TO THE LATE MIKE WALDMAN OF NEWSDAY

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

Mr. LAZIO. Mr. Speaker, being a newcomer to this institution can be a daunting experience. Yet, from the start, Mike Waldman of Newsday reached out to me with a genuine desire to be helpful. And helpful he was. I am deeply saddened by his death on Monday.

Mike was always there when I had questions about how things really worked in this crazy town and in this unique institution. His sage advice reflected not only his many years of journalistic experience, it also reflected his innate political sachel [common sense]. I will miss his counsel very much, but I will miss his friendship even more.

In a world with so many out for No. 1 and willing to step on others in order to boost themselves, it was refreshing to know Mike Waldman who gave so much and yet asked for nothing in return. In an environment where adversarial relations between the press and politicians are the norm, and the two groups generally view each other with suspicion, if not contempt, Mike Waldman stood above it all.

Mr. Speaker, here were two people from very different worlds—Mike having covered Presidential campaigns and other important political happenings for decades, and me, a brandnew Member of Congress. It was an odd couple that emerged at the end of one career and, perhaps, the beginning of another.

I wish I could find more eloquent words to describe the person behind the name and face. To be able to pick up the phone and just talk and be absolutely honest with each other—that is what I will miss the most about Mike Waldman.

REBUILDING THE ASYLUM SYSTEM

(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, we cannot expect a pickup to carry the weight a dump truck can carry. Pretty soon the pickup breaks down and has to be rebuilt. That is exactly the analogy for our current asylum system. It has been asked to bear too heavy a load. It has broken down and needs to be rebuilt.

A bill, H.R. 2602, was introduced by the gentleman from Kentucky, along with his colleagues and his friends, the gentleman from New York [Mr. SCHUMER] and the gentleman from Florida [Mr. MCCOLLUM] that would in fact rebuild and revitalize the asylum system so it is there to grant asylum protection from persecutions to those who deserve it, but to deny that same protection to the people who do not deserve it.

The section of the bill authorized by the gentleman from New York [Mr. SCHUMER] deals primarily with keeping people out of the United States who are attempting to travel with fraudulent papers. The section of the gentleman from Florida [Mr. MCCOLLUM] would provide an expedited but fair hearing for those who plead asylum when they reach this shore. And, my part of the bill would make general changes in the asylum law to reduce the lengthy, almost interminable, hearings and appeals of today's law.

Once again, Mr. Speaker, the asylum system is broken and we have to fix it.

THE BYRD RULE

(Mr. EWING asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, leading House negotiators on the tax bill conference committee are looking for ways to dump the other body's Byrd rule. The Byrd rule prohibits the bill from containing items which do not directly reduce the deficit.

The President and House Democrats have been working hard to convince the American people that this massive tax increase bill is a deficit reduction package. If this is the case, why are we afraid of the Byrd rule? If our No. 1 goal is to reduce the deficit, we should have no problems with the Byrd rule.

The forceful reaction of House Democrat leaders against the Byrd rule makes me wonder just what they intend to tuck away in the tax bill during their secret meetings. And it really makes me wonder whether they are as committed to deficit reduction, as they profess.

Mr. Speaker, the Byrd rule could actually force Congress to keep its promise of passing a deficit reduction bill. Maybe that is why Democrats are trying to kill the Byrd rule.

□ 1020

A SURGEON GENERAL WHO TALKS SENSE IS THE RIGHT WOMAN FOR THE JOB

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

Mrs. KENNELLY. Mr. Speaker, yesterday I met an exceptional woman. When this individual was first nominated for a high position in our new administration, I was impressed by her résumé. But what I was truly excited about was the philosophy which this woman presented. This was an individual that talked sense when she talked about choice and the right of women to have that choice. She also talked about the fact that every child born should be a wanted child. She talked with eloquence about the important issue that children should not be having children.

Mr. Speaker, this woman's name is Dr. Joycelyn Elders. She is a woman with experience; she is a woman that can talk about the fact that we have children in this country that need health care, and we have to do something about it.

Dr. Joycelyn Elders is the right woman for a very important job, Surgeon General, and I certainly hope those in the other body see fit to let us have, this country have, the help of this marvelous, exceptional woman, Dr. Joycelyn Elders.

THERE THEY GO AGAIN

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

Mr. DELAY. Mr. Speaker, Americans are saying, "There they go again." The Democrat leadership of this House is, for the umpteenth time, tied closely to corruption. For 20 years the House postmaster, who reported directly to the House Democrat leadership, traded stamps with Congressmen for cash.

It is ironic, Mr. Speaker, that when there is a whiff of wrongdoing anywhere in America, in a business, in the Pentagon, in a Republican administration, faster than a speeding sound bite, House Democrats want an investigation. But when a rotten stench of corruption rises in this House or in the Clinton White House with Travelgate, the House Democrat leadership sits on its arrogant hands and prays that the American people forget about the whole thing.

Well, that's not good enough. Americans will no longer tolerate Democrat duplicity and delays. In the post office, in the cases of Congressmen A and B, maybe obstruction of justice, and in the Clinton White House Travelgate case Americans want the truth. Not Democrat coverups.

THE TRAGIC STORY OF GUADALUPE NEGRON

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

Ms. VELÁZQUEZ. Mr. Speaker, last week the horrifying story of Guadalupe Negron, a Bronx woman who died during a botched abortion, filled every newspaper in New York City. Our horror intensified when we found out that the doctor performing the procedure had his license suspended by the New York State Health Department 8 years ago and allegedly had it revoked last year. We also learned that paramedics, who were called to attempt to save Negron, described the clinic as "disturbing and filthy."

This tragic story highlights the plight of Ms. Negron and other poor women in this country who are subjected to substandard health care services simply because of their economic status.

Mr. Speaker, the message to Congress is clear. When we begin the debate on health care legislation, we must guarantee universal access to quality care and ensure that we prevent unqualified doctors from preying on poor and immigrant women. Until we eradicate the two-tiered system of health services, we will continue to be haunted by the senseless and tragic deaths of poor women in this Nation.

WHITE HOUSE ANESTHETIC

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

Mr. SMITH of Texas. Mr. Speaker, the White House must be trying to anesthetize us to the outrages by increasing their number.

For months they have been trying to hide a tax-and-spend program by calling it deficit reduction. The new spending is as much a step away from deficit reduction as the hundreds of billions of dollars of new taxes is a step back from fiscal responsibility. Without so much as blinking, the President has looked the American people in the eye and told them this economic outrage is going to be good for them and the country.

Now that America has seen through the budget numbers, the administration has come up with something new. They came up with Travelgate. In case you missed it, these are the only cuts the White House has proposed that weren't in defense.

As if the White House travel office were not enough, we now have a House post office in desperate need of more investigation. The problem is the District of Columbia doesn't have a U.S. attorney to handle it. Why? Because the White House hasn't gotten around to replacing the 51 it fired earlier this year.

This scandal-of-the-month strategy will not work any better than their tax-and-spend economic one. In fact, what America needs from this administration are more explanations and less public relations.

THE CLINTON ECONOMIC PLAN IS CLEARLY CREATING JOBS

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

Mr. FAZIO. Mr. Speaker, the record is beginning to be made. This administration has created, since the inauguration, over 800,000 jobs in this country, 1 million since January 1. Eighty percent of all the jobs created in the 4 years of the Bush administration have been already created in the first 6½ months of this administration.

The record is clear, and the economic package that we will be adopting here in several weeks is more evidence that the Democrat majority in this House and our President in the White House understand that the engine of job growth is through entrepreneurs and small business. We will be providing not only continued lower interest rates, but increased expending for small business, capital investment through reductions in capital gains for investments in small business, relief from the corporate minimum tax, and the permanent extension of the 25-percent deduction for health insurance of the self-employed.

Mr. Speaker, the economic plan of the Clinton administration is already coming into clarity. It works, and it

will continue to provide jobs for the American people.

JUST THE MAGIC OF HIS PERSONALITY

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

Mr. ARMEY. Mr. Speaker, my colleagues have just observed the most amazing act of chutzpah in the history of this Congress. The Democrats want it both ways. On the one hand they complain to the world that we obstructionist Republicans in the minority in the House and the Senate have stopped their President from passing his package of economic policy.

Mr. Speaker, not one bit of Clinton economic policy has been signed into law, and they complain about us obstructing them.

Now, Mr. Speaker, I have said before that the complaint about Republican obstructionism is a euphemism for Democrat ineptness, but now we match the ineptness with gall. Now they are contending, during this period of time when the only economic policy that prevails in America is the Bush policy, that the Clinton policy, which has not been passed into law, has created some 184,000 jobs.

My colleagues, this is magic, pure magic. This is job creation ex ante, without legislation, without law, without policy, just the magic of his personality.

Are we not blessed?

THE TRICO STORY

(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 I would like to tell my colleagues a very compelling story:

Once upon a time there was a company called Trico, which made windshield wipers like this one. Trico had a factory in Buffalo, NY, where it employed 2,100 hard-working Americans. These workers earned \$11 an hour, enough to support their families, educate their children, and have something left over for their retirement years.

But in 1987, Trico decided to move this factory to Matamoros, Mexico, where they could pay the Mexican workers \$11 a day. Let me emphasize that: from \$11 an hour to \$11 a day. They invested millions of dollars building this new factory in Matamoros. And by 1990, 1,100 Americans were out of work. Their families and their community paid the price of broken lives, broken homes, and broken dreams.

The Mexican workers were not happy either. They earned too little to buy the American products they wanted,

including the cars on which these windshield wipers are placed. And their living conditions were atrocious. Many of them quit, but there was always someone else to take their place.

The moral of this story is that our growing free trade zone policies with Mexico have cost our country jobs. We must defeat NAFTA, the proposed United States, Mexico, Canada trade agreement.

□ 1030

LEGISLATION TO REQUIRE A CHANGE IN PRIVATE PHARMACEUTICAL RESEARCH

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

Ms. SNOWE. Mr. Speaker, I rise to speak on behalf of the Pharmaceutical Testing Fairness Act and the Pharmaceutical Interactions Safety Act, which Congresswoman SCHROEDER and I are introducing today. These two bills represent a major step forward in women's health research. As the Clinical Trials Fairness Act, which was part of the previous Women's Health Equity Act, provided women of this country with the right to be included in federally funded clinical studies, these bills provide them with the same standards in private-sector pharmaceutical research.

Women comprise 51 percent of this Nation's population, and yet they have been systematically excluded from both private and public clinical study drug trials. Because their physiology is distinct from that of men, they react to drugs differently. In addition, drug interactions with women's hormones are unique. Despite these gender differences, drug manufacturers have only just begun to include women in their clinical investigations of pharmaceuticals.

These bills are the result of a General Accounting Office study which was requested by Representative WAXMAN, Representative SCHROEDER, and myself. They require testing of new drugs by private pharmaceutical companies on both women and men and mandate that new drugs also be investigated for interactions with female and male hormones.

I believe that this new legislation will make a difference in the health and safety of women and will expand the annals of medical research to ensure that women are treated equally in our health care system.

OUTTAXING AND OUTSPENDING LBJ

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

Mr. BAKER of California. Mr. Speaker, throughout the 1992 Presidential campaign, Bill Clinton promised to be a new kind of Democrat and to break free from the tax-and-spend policies of the Democratic Party. He promised to vigorously pursue deficit reduction, reduce the tax burden faced by the middle class, and practice fiscal restraint.

However, the budget that President Clinton submitted to Congress is reminiscent of Democratic tax-and-spend policies of the past. The President proposes more Federal spending than the greatest tax-and-spender of them all: Lyndon Johnson. Of course, the President would never call it spending; he coyly refers to it as investment. Investment in what? Investment in a larger deficit to pass to our children?

President Clinton has also proposed the greatest tax increase in American history, larger than any submitted by Lyndon Johnson or Jimmy Carter. Of course, President Clinton would never refer to a tax increase as a tax increase; he cleverly refers to it as a contribution. Unfortunately, the bulk of these contributions are shouldered by the working class, undermining President Reagan's efforts to lighten the tax burden placed upon middle-class Americans.

Mr. Speaker, it is time for President Clinton to stop this doublespeak. Taxes are not contributions and excessive Government spending is not investment. If the President refuses to honor his campaign pledges, at least he can be forthright with the American people in admitting it.

POST OFFICE SCANDAL ADDS TO WOES OF THE HOUSE

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

Mr. GRAMS. Mr. Speaker, this House cannot afford another coverup.

As a new Member, one of the things that prompted me to run for office was my concern for this institution.

After the House bank capped a series of scandals, this House suffered a serious loss of credibility with the American people.

That has not only been an embarrassment to our Nation, it has created an atmosphere of distrust and seriously impedes the ability of this House to act with the confidence of the American people.

Now, we face another serious scandal involving the House post office.

Mr. Speaker, the American people can only take so much of this before they decide to throw out the entire institution.

If you were surprised by the dramatic turnover last year, just imagine what will happen if this House ignores the concerns of the American people once again.

If people in Japan could shed four decades of one party rule of their legislative body because of repeated scandals, the American people can do it here too.

Mr. Speaker, it is time to come clean. It is up to you to get all the facts out, and make sure the American people get a complete and unsanitized record of what happened in the post office.

That is what the American people want and it is what they deserve.

MARKETING ISN'T EVERYTHING

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

Mr. HERGER. Mr. Speaker, last Saturday's Washington Post revealed that the Clinton administration is discouraging proponents of its economic plan from talking about the plan's specifics.

Instead, according to a White House memo, the plan's backers should "never forget that the optimism, energy, and enthusiasm you project" when selling the plan "is vital."

The memo goes on to say "even your most cynical critics will walk away impressed with your commitment * * * your body language, attitude, and confidence will be infectious."

Mr. Speaker, the American people already know the Clinton plan is the largest tax increase in America's history, and that it adds an additional \$1 trillion to our debt over the next 5 years.

Mr. Speaker, the only thing the American people don't know is why anyone would even think about smiling while promoting this proposal.

BENEFITS OF SMALL BUSINESS UNDER THE CLINTON PLAN

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

Ms. SLAUGHTER. Mr. Speaker, President Clinton's plan is good for small business, but this message has been lost in the distorted rhetoric of those who oppose it. I quote from yesterday's Wall Street Journal, "Opponents of the Democrat's plan to raise taxes on upper-income people realize there isn't much point in seeking sympathy for the rich. Small business, on the other hand is almost sacred."

But the fact is that most small businesses have no reason to be concerned. Under the Clinton plan, 96 percent of small businesses will be exempt from any new taxes in the Clinton plan.

In fact, if a small business owner pays taxes at the corporate rate, even if the corporate tax rate is raised to 35 percent, a company would have to be creating a profit of \$10 million or more to be affected.

The President's plan will help these small business leaders by doubling the investment that small businesses will be able to expense and offering a provision to cut capital gains taxes for new investment in their businesses.

And there are already signs that it is working. Business reaction to the plan has meant the creation of 50 percent more jobs in the last 6 months than in all of George Bush's 4 years.

Now, having set the record straight, let me add how sick and tired I am of those political opponents of this plan using false or misleading information to try and frighten businessmen and women into opposing the plan. This manipulation is dishonest—it preys on a vulnerable, already-worried work force and I hope it will soon stop.

Let us have a fair, open, and honest debate about how we can best make America work again. We have got to. After all, it is worth it.

QUOTA LANGUAGE SPOILS RTC FUNDING BILL

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

Mrs. MEYERS of Kansas. Mr. Speaker, H.R. 1340, to provide additional funding for the Resolution Trust Corporation, is scheduled for consideration later this week. In the past, I have supported all RTC funding measures, and have supported the many civil rights measures that have been before us in the past 8 years.

I cannot support H.R. 1340, however, because of the quota language contained in the bill. From 1989 through February 1993, 30 percent of all RTC contracts have been awarded to minority and women-owned businesses [MWOB's]; so I simply do not understand why the Banking Committee chose to add quota provisions to an otherwise sensible piece of legislation.

H.R. 1340 would require an even distribution of RTC contracts among minority- and women-owned businesses whose total number of registered contractors comprise not less than 5 percent of all minority- or women-owned registered contractors. So far as I can tell, only three groups fall into this category—women-owned businesses, black-owned businesses, and Hispanic-owned businesses. "Evenly distributed" means that if the first minority contract was awarded to a women-owned business, the next would have to be awarded to a black-owned business, and the next to a Hispanic-owned business. Then the process would begin again. This is a quota within a quota and sets a terrible precedent.

This provision, if enacted, will tie the RTC in knots. The purpose of this legislation is to get our financial institutions out of trouble, and that is what we should be doing.

I hope these provisions are stricken, so that I can support providing the RTC with sufficient funding to complete its resolution of the savings and loan crisis.

LIFT THE BOSNIAN ARMS EMBARGO

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

Mr. ENGEL. Mr. Speaker, the leaders of the European Community have once again rejected Bosnian pleas to lift the arms embargo on the Sarajevo government. Instead they are now acquiescing to the partition of Bosnia and Herzegovina and the triumph of Serbian and Croatian aggression.

EC leaders have stated that lifting the arms ban would lead to more fighting on the ground and an escalation of the violence. I oppose this misguided viewpoint, which aids the aggressor and hurts the victim. It is shameful that the Western World has acquiesced to Serbian land grabs and ethnic cleansing. Help must be forthcoming for the besieged Moslem population in Sarajevo and Bosnia. And while we're in the neighborhood, let's not forget the brave people of Kosova, who may be next on the Serbian aggression chain.

The new talk of dividing up Bosnia along ethnic lines is a disgrace. In practice this dooms the Moslems—who account for 44 percent of the Bosnian population—to living in small ghettos in two tiny parts of Bosnia, surrounded by hostile Croats and Serbs with no hope of economic or political viability.

This is a shameful concept, shameful to the United States, but even more shameful to Western Europeans who have done nothing to halt genocide in their own backyard.

CLINTON BUDGET PACKAGE AND SMALL BUSINESSES

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

Mr. REYNOLDS. Mr. Speaker, before I begin my remarks, I wanted to send our special condolences to the Foster family for the tragic loss of their father last evening, and special condolences to the President for losing a dear and trusted friend.

Mr. Speaker, a great deal of misinformation has been spread by the opponents of the deficit reduction plan concerning the alleged dire consequences of the bill on the Nation's small businesses.

Well, Mr. Speaker, the truth is far different than what the American people have been hearing from the bill's opponents. The Wall Street Journal yesterday set the record straight when

it reported, "foes of Clinton's tax-boost proposals mislead public and firms on the small business aspects."

The Journal called the bluff of those who have been crying that the sky will fall on the heads of small businesses. According to the Journal article, " * * * the administration-backed proposal to increase write-offs for small businesses that buy new equipment would help far more businesses than the tax would hurt."

In a further sign that the opponents of the President's package are not serious about helping small businesses, yesterday, 143 of our colleagues on the other side voted for an amendment to cut \$22 million from the Small Business Administration, the Federal agency mandated to assist individuals get small businesses off the ground. This is yet another Republican hypocrisy of talking about their support of small businesses, yet voting against the interests of small business time and time again.

Mr. Speaker, this plan will bring down our deficit, cut spending, and help, not hurt, American small businesses. And that is the truth.

SMELL OF CORRUPTION IN THE AIR

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

Mr. ROHRABACHER. Mr. Speaker, the new administration started by being curiously a curiously, and now seems to be getting murkier and murkier.

I lived through the so-called Iran-Contra affair when President Reagan's team was put through the meat grinder for trying to stop Communist expansion in Central America in an unacceptable way.

Today the liberal Democrats who mauled Reagan officials for that offense now are scurrying to avert public attention from what appears to be a coverup of criminal activities aimed at personal profit in the White House Travelgate scandal, a scandal that now, unfortunately, has turned to tragedy. In the House, the corruption of the House post office threatens the most powerful of Democrat leaders.

The smell of corruption is in the air. The American people deserve to know the facts.

AMERICAN PEOPLE WILL REVOLT OVER TAX INCREASE

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

Mr. BURTON of Indiana. Mr. Speaker, I was watching television this morning. President Clinton came to the Hill and talked to some of the conferees on the budget summit agreement, and he said that there would be no voter revolt over his budget.

Now, I do not know what they are smoking down at the White House, but they must not be thinking about things the way that people in my district and across this country are thinking. The fact of the matter is, the overwhelming majority of Americans do not want a whole lot of new taxes. This is going to be the largest tax increase in U.S. history, and on the heels of that it is going to be following Hillary's tax increase for some health care plan that is going to cost another \$150 billion.

Tax, tax, tax. That is not what the American people want. They want to cut spending. We had a proposal that would have frozen government spending at last year's level plus no more than a 2-percent growth over the next 5 years that would have balanced the budget, and they would not even let us vote on it on this floor.

Bill Clinton says the American people will not revolt. Let me just tell my colleagues on this side of the aisle: Remember that next November when you are being turned out of office.

CAMPAIGN REFORM

(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, 78 percent of Americans say Congress is not doing its job. How can we correct this credibility gap? I suggest restoring fiscal sanity and giving the people's House back to the people would be a good start. Mr. Speaker, yesterday you said the public's confidence in the House needs to be strengthened, not further eroded—but your leadership is once again delaying action on crucial congressional reform. Real reform must reduce the power of incumbency by drastically limiting free mail clear abuse of the frank and by restraining the PAC's. It must empower local voters and curtail the influence of lobbyists by changing the rules of fundraising. And it must embrace national term limits, as 22 million Americans in 15 States—including yours of Washington and mine of Florida—have already done. Mr. Speaker, if you will not lead the charge—it would be appropriate to not be in the way of real campaign reform.

THE SOUND AND FURY OF PANIC

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

Mrs. BENTLEY. Mr. Speaker, increasingly we are being treated to the drum roll of the pro-NAFTA lobby as the American people become more knowledgeable, and more concerned about the many problems America will face if the North American Free-Trade Agreement passes.

It is a propaganda campaign the likes of which I have never seen. However, considering reports that Mexico is spending in excess of \$25 million on this effort—I think it is evident that \$25 million will buy a lot of hot air from a lot of hucksters.

The figures being used by supporters of the agreement prove what can be done to politicize the statistics. It is remarkable that the huge gain in exports to Mexico occurred during the same period that United States companies were moving to the maquiladora section of Mexico along the United States border.

A breakout of the figures show that much of the value-added shipments were composed of plant equipment needed by the transplant corporations for their new facilities. In this manner, rather than having these swollen exports represent new jobs in America, most of the billions that are being touted as sales—actually represent a loss of 20,000 jobs per billion in exports, rather than a job gain. Another reason the economy has not turned around.

PROVIDING CONSUMERS WITH REAL CHOICE IN HEALTH CARE

(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, just last week, the House appointed the conferees to the budget reconciliation package. Mr. Speaker, I sure do not envy them as they undertake this task.

We are sure to have bigger Government and higher taxes.

That is why I am concerned when I hear of the upcoming health care plan that is being proposed by the administration. I am hearing about global budgets, price controls, more bureaucracy, and yes, higher taxes. It is not enough that we raise an additional \$250 billion in taxes under this budget bill, no, now, it is being purported that the administration is planning on raising an additional \$100 to \$150 billion in taxes to fund this health care plan. It is going to be done at the expense of our employers, big and small, and ultimately, it is going to fall on the shoulders of middle class America.

Mr. Speaker, that is why I and several of my colleagues here in the House and in the Senate, are working on putting together a comprehensive health care plan, the Consumer Choice and Health Care Security Act of 1993. This approach aims to be budget neutral and will not add to the deficit. We do not seek to raise taxes and we do not seek to add to the deficit. What we seek to do is provide consumers with real choice in choosing their health plans and above all, we seek to provide them with the security and peace of mind in knowing that once they have chosen a plan to suite their needs, they will not lose that coverage.

□ 1050

CORRUPTION IN THE HOUSE

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

Mr. WALKER. Mr. Speaker, it is time for the House to take action on the growing corruption and scandal surrounding the House post office. I say that because there has been an absolutely overt attempt to cover up this corruption for months.

We, first of all, demanded an investigation in the public with open public hearings. That was rejected by the Democrats.

Instead, what they did was put an investigation behind closed doors where witnesses were heard only behind closed doors.

Then we attempted to get that information brought to the House floor. That attempt was tabled, and 223 Democrats voted last July, almost a year ago today, to cover up the scandal.

We now recognize that that cover up involved perjury of one of the elected House officers of the Democrats. They had to know that their elected House officer was, in fact, engaged in a pattern of corruption.

Certainly Members knew that and have continued to cover it up now for a period of months. It is now time for the House to act.

Sure, they want regular order because they do not want this corruption to be ever revealed. It is time for this House to act on corruption within it.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the unanimous-consent request entered into on July 15, 1993, I call up the joint resolution (H.J. Res. 208) disapproving the extension of non-discriminatory treatment, most-favored-nation treatment, to the products of the People's Republic of China, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The text of the joint resolution is as follows:

H.J. RES. 208

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on May 28, 1993, with respect to the People's Republic of China.

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the order of the House of Thursday, July 15, 1993, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from New

York [Mr. SOLOMON] will be recognized for 30 minutes.

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

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

Mr. ROSTENKOWSKI. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would say to the gentleman that we had agreed to reduce the time from 2 hours to 1 hour. I had originally requested 2 hours of debate. There have been a number of speakers on the gentleman's side of the aisle, in particular, who wanted additional time.

Mr. Speaker, I ask unanimous consent that debate be extended from 1 hour to 1 hour and 10 minutes, to try to primarily take care of the speakers on the gentleman's side.

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

There was no objection.

The SPEAKER pro tempore. The debate will be extended and divided evenly between both sides. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 35 minutes, and the gentleman from New York [Mr. SOLOMON] will be recognized for 35 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. ARCHER], and ask unanimous consent that he be allowed to further yield portions of that time.

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

There was no objection.

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

Mr. Speaker, I rise in opposition to House Joint Resolution 208. This resolution would revoke China's most-favored-nation [MFN] status, effective 60 days after enactment. More importantly, this measure runs counter to President Clinton's policy on China.

The President's China policy is implemented in his May 28 Executive order. This extends China's MFN status from July 1993 to July 1994, but conditions extension beyond July 1994 on improvements in Beijing's human rights record.

The Committee on Ways and Means voted 35 to 2 to adversely report House Joint Resolution 208 in an overwhelming bipartisan show of opposition. The Clinton administration strongly opposes House Joint Resolution 208, and I urge my colleagues to vote "no" on this resolution today.

Members who support the Solomon bill will argue that the United States must send a clear message to the Chinese leadership—that civilized people find China's behavior in the area of human rights, and many of Beijing's foreign policy actions, to be unacceptable. I could not agree more with the message. I disagree, however, that

passing the Solomon bill is the proper way to send that message.

President Clinton's Executive order on China is the proper means for getting through to Beijing. The May 28 Executive order incorporates the conditions in China MFN legislation introduced by Congresswoman PELOSI during this Congress and in the past. The President's Executive order attaches seven human rights conditions, including one on prison labor, to the extension of China's MFN status beyond July 1994. The Executive order also requires that sanctions already in the United States law be used, if necessary, to ensure that China complies with its commitments on trade and weapons proliferation.

In short, the President has heeded the Congress' message on China's MFN extension. Through his Executive order, Mr. Clinton has embraced and implemented the conditional MFN policy endorsed by the overwhelming majority of House Members who voted "yes" on conditional China MFN bills in the past.

The Congress and the Executive now have the chance to speak with a unified voice on China MFN policy. We need to give President Clinton's China policy a chance to work before we give up the leverage that MFN affords us. We need to see if the Chinese are willing to recognize and abide by what is proper conduct for civilized nations.

If, by next June, we find ourselves with the same complaints about China's human rights, trade, and weapons proliferation records that we have today, then it will be time to reassess the status of the United States trade relations with China. For now, we need to work with the President and see how much improvement we can achieve in China over the next year.

I urge my colleagues to support the President's policy and vote "no" on House Joint Resolution 208.

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

Mr. SOLOMON. Mr. Speaker, considering the fact that the gentleman from Illinois [Mr. ROSTENKOWSKI] has yielded 15 minutes of his time to the gentleman from Texas [Mr. ARCHER], I ask unanimous consent to yield 10 minutes of my time to the cosponsor of this resolution, the gentleman from Massachusetts [Mr. MARKEY], and ask that he be allowed to manage that time.

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

There was no objection.

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

Mr. Speaker, today this 103d Congress has the opportunity of joining both the 101st and 102d Congresses in going on record against a continuation of most-favored-nation trade status for the so-called People's Republic of China.

This is, in my view, our only appropriate response to the dangerous and repressive policies of that government—policies which have continued unabated, all the while, China has been accumulating an ever-increasing trade surplus against our country.

For those Members who are concerned about jobs in America, they had better be listening to this debate.

Mr. Speaker, nothing of particular significance has changed in China, since 1990, when this House first went on record, by an overwhelming majority, favoring a termination of MFN for China.

It should be clear to any objective observer that all these years of MFN status have not led to any substantive changes in the behavior of the Chinese regime.

The reasons for denying MFN to China can be summarized in four categories: Human rights practices, trade policy, military policy, and foreign policy.

About human rights, little needs to be said.

China remains a police state, and it remains one of the most serious human rights violators in the world.

Mr. Speaker, particularly offensive is China's use of forced labor, which includes the involvement of as many as 1 million prisoners in the manufacture of export goods, the American people, are by far the largest recipients of slave labor goods coming from China and putting Americans out of work. Of course, there is the ongoing oppression and cultural genocide against the people of Tibet, a people whose only crime is the desire to be excluded from the regimentation imposed on society by the Chinese Communists.

□ 1100

Mr. Speaker, as for trade policy, the latest figures show that China is running up yet another huge trade surplus against our own American exports.

In 1992 alone, the United States trade deficit with China reached a level of \$18.2 billion, a rise of nearly 50 percent over the previous year.

During the first quarter of this year, our trade deficit with China rose by yet another 25 percent over the same period from last year.

Our trade deficit with China has tripled since the Tienanmen Square massacre, and it stands today second only to the trade deficit with Japan. The deficit with Japan is \$50 billion; China, \$18 billion, and growing to \$22 billion this year alone.

Can there be any wonder why the Chinese regime does not take our Government's protests about human rights and trade policies seriously?

Can any Member here honestly say that China is more economically competitive than America? Or, is the denial of fair access to the Chinese people for American goods the real problem? Who know it is.

I believe every Member knows the answer to that question.

Worse yet, Mr. Speaker, China is using this trade surplus to finance a massive military buildup, a buildup which has been accelerating since the Chinese regime used the military against the Chinese people back in 1989 in that brutal massacre.

Mr. Speaker, while we and every other civilized nation around this world are reducing our defense spending, China is increasing theirs. This year alone, military spending in China is increasing by 15 percent, and it is financed by the trade surpluses that we are allowing to happen. We are allowing this massive military buildup.

This military buildup is across the board. It includes upgrades in both nuclear weapons and ballistic missile capabilities.

Believe me, we Americans should be as worried about these developments as China's neighbors are, and they are scared to death.

Mr. Speaker, the fourth and final reason why China does not deserve MFN is its foreign policy. Mr. Speaker, this is a regime which has sold M-11 missiles to Pakistan just recently, given nuclear technology to Iran and Algeria, and refused to support the United Nations sanctions against North Korea the one regime with a worse track record than Beijing. Unless, of course, we include the Khmer Rouge in Cambodia, for whom China continues to be the principal patron.

In conclusion, Mr. Speaker, I would like to comment on the President's Executive order. I address these comments especially to my friends on the other side of the aisle, whom I have great respect for, particularly the gentlewoman from California [Ms. PELOSI]. The President's order does not go far enough to produce any significant results. We will be right back here again next year. Consequently, this order is not likely to have any effect at all on changing the attitudes of those angry old men in the Great Hall of the People. That is precisely why the joint resolution I am offering today is so important.

This House has gone on record for 3 consecutive years as favoring a termination of China's MFN.

If we do not do so again this year, we will have sent a message of confusion and weakness to the Chinese Government, and we will have negated any possibility that the President's order may get some results.

This joint resolution should be seen as a reinforcement for the President's order.

It adds leverage to the President's approach by letting the Chinese regime know that Congress remains willing to revoke MFN if Beijing does not moderate its behavior, become civilized.

America is always most effective abroad when it is united at home and

speaks with one voice. That is what we ought to be doing here today.

One last thing: We have a bill coming to the floor soon. It provides \$3 billion to help Americans who have been ravaged by the Midwest floods. That is deficit financing. We have problems in Cleveland and in New York and in Los Angeles and in Chicago and all over this country.

If we revoke MFN today, it simply raises the tariffs on imported goods coming from Chinese slave labor by anywhere from 8 percent to 40 percent. They will still be way below the cost of American goods.

Do the Members know what these tariffs will do, however? Here is a letter from the Congressional Budget Office. These tariffs will bring in \$615 million; that is \$615 million in new revenues to either help lower the deficit or help pay for programs that our people need in this country. That is why everybody in this House ought to support this resolution. I urge the Members to do so.

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

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

Mr. Speaker, once again the House has before it a resolution that would put an end to normal trade relations with the People's Republic of China by withdrawing most-favored-nation trading status. It is an exercise in futility. We cannot ignore the presence of a country of more than a billion people that has total trade with the world of \$165 billion.

It is unrealistic to think that an isolated China is possible in today's world. Along with the United States, every major developed nation is now intimately involved in this country, both diplomatically and economically. We are even culturally intertwined given the large Chinese emigrant population that spans the globe. China is a member of the Security Council of the United Nations.

We can only succeed in isolating ourselves through legislation such as House Joint Resolution 208. We have much to lose by doing so.

As the leading advocate of human rights and proponent of political reform outside the country, the United States risks losing its voice to stimulate the Chinese in these areas. The United States also could lose its ability to influence China's behavior in the area of weapons proliferation and arms development.

We also have much to lose in the economic field. By withdrawing MFN from China, the United States would be stepping out of the world's most rapidly expanding economy.

China is our 15th largest export market, and United States direct investment exceeds \$2 billion, primarily in petroleum and manufacturing. China will soon officially absorb Hong Kong,

one of the world's leading economies. Is it now time to end economic relations with China? Japan and Europe will not be so foolish.

Although not yet up to Western standards, political and social improvements are occurring in China. The United States must continue to press hard for further progress. But we cannot play a role in China's future if we go home and lock the door to the outside world behind us.

Earlier this year, the Beijing-based People's University of China announced major changes in its curriculum.

This cradle of education for Government officials and economic planners would no longer offer courses such as scientific socialism, the international Communist movement, the science of national economic planning, and the basics of Marxism and ethics.

Replacing such studies will be classes in international business management, marketing, real estate business, international trade, management of human resources, taxation, and the management of township enterprises.

This is but one small example of the subtle changes that can have a major impact on future Chinese policy-making.

Mr. Speaker, in my view it is clear that House Joint Resolution 208 represents an approach to bilateral relations that is as impractical as it is unproductive and dangerous. We cannot afford such isolationism.

I urge my colleagues to vote "no" on House Joint Resolution 208.

Mr. MARKEY. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I rise in support of the resolution brought by the gentleman from New York [Mr. SOLOMON] and I for the last 4 years. This is a very important decision which this House will make today.

To those who are listening, even if the human rights violations in this country do not stand as sufficient justification to deny MFN to the Chinese, notwithstanding all the human rights abuses, even if the slave labor inside of China does not stand as sufficient unto itself to deny the MFN status for China, notwithstanding the fact that we know they are making Christmas lights in China, there just is not that large a market for the missionaries in China for Christmas lights, they are exporting them around the world, slave labor; even if the unfair trading practices the Chinese are engaging in, which has helped them to build an \$18 billion trade surplus with the United States, second only to Japan, hear that again, we are sending over delegation after delegation to Japan, our No. 1 trade rival, that has the No. 1 trade deficit with our country. No. 2 in the world is China engaging in unfair practices on a daily basis.

□ 1110

Even if that is not sufficient for Members here to support denial of MFN status for China, then think of this: The Chinese are exporting and continuing to export nuclear technologies to Iraq, to Iran, to North Korea, to Syria, to Algeria, to Pakistan. To every major trouble spot in the world the Chinese have become the K mart of international nuclear commerce.

What are its consequences for our country? We are forced every year on this floor to appropriate billions and billions of dollars in defense to help the South Korean against the North Koreans, to protect them, to mediate the Pakistani-Indian conflict, to protect the Israelis and others in the Middle East against the export of these technologies into those countries.

Today the Chinese continue those policies. They spread those materials around the globe into the worst, most troubled areas of this world.

Now ladies and gentlemen, we all know that there was very little likelihood to ever be in an all out nuclear war between the United States and the Soviet Union. We also know that the greatest likelihood was and continues to be a nuclear conflict as these weapons spread from country to country to country. That is our greatest security threat on the planet right now, and the greatest culprit on the planet is the Chinese.

We let them run up a huge trade surplus with us, engage in human rights abuses, use slave labor to undermine our own workers in our country, but worst of all, force us to spend defense dollars in order to protect other countries in the world against the spread of nuclear weapons and other materials across this planet.

The difference I think that we have with proponents of extension of most-favored-nation status to the Chinese is that we want to deal with the causes of these problems as they are developing rather than the consequences 5 and 10 years down the line. It is time for us to stand up on this floor. We have done it for the last 3 years in a row. I think that we should do it again today.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. HAMILTON], chairman of the Committee on Foreign Affairs.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, I rise in strong opposition to House Joint Resolution 208. This resolution takes a sledgehammer approach to foreign policy. It will not promote U.S. interests. It is unrealistic, unwise, and unnecessary.

At the outset, let me say that I share the same goals as the gentleman from New York. The United States has legitimate concerns about China's policies

in the areas of human rights, trade relations, and security issues, particularly nonproliferation.

The question is how to pursue that agenda most effectively. My colleague from New York, Mr. SOLOMON, would use a sledgehammer. His resolution would revoke China's most-favored-nation trade status. I believe, and the President believes, that this is the wrong approach.

REVOKING MFN IS UNREALISTIC

First, revoking MFN is unrealistic. It is based on a misreading of the political situation in China today. Reform, decentralization, and modernization are all elements of Chinese life today.

The Chinese Government's repression of political opposition and its abuse of human rights is deplorable, and should be challenged. Yet the state does not maintain the tight grip over the daily lives of the great majority of people that it did 15 or even 4 years ago.

We hope for the day when civil and political rights are guaranteed in China. But we should also recognize that, on balance, human freedom in China is expanding, not contracting, and that revoking MFN would lead to more political control in China, not less. Those who favor democracy and closer ties with the West will be hurt.

Revoking MFN is also unrealistic because it assumes that China's leaders would give in to United States demands rather than lose MFN. Most China specialists believe the reverse. They believe China's leaders would sacrifice access to the American market rather than submit to the demands of a foreign government.

REVOKING MFN IS UNWISE

Second, revoking China's MFN status is unwise.

It would hurt American consumers who benefit from inexpensive Chinese goods. It would hurt American exporters, because China would certainly cut them off in retaliation. It would hurt American investors who wish to have a share of the world's largest growing market. It would hurt the people and businesses of Hong Kong and Taiwan, whose prosperity is linked to the economic future of South China.

Revoking MFN is also unwise because it would undercut our own foreign policy interests. As a permanent member of the U.N. Security Council, China has an important role to play in resolving international crises.

China has played a constructive role in the successful effort to bring peace to Cambodia. It cut off assistance to the Khmer Rouge. It has worked closely with the United States to urge North Korea to abandon its nuclear weapons program.

In fact, while China opposes international sanctions in principle, I am confident that if the international community decided sanctions against North Korea were necessary, China would not block them.

Also, China will likely be more cautious in its military buildup if relations with the United States are good. That will reassure our friends and allies in Asia.

REVOKING MFN IS UNNECESSARY

Finally, revoking MFN is unnecessary. President Clinton on May 28 announced a wise and realistic policy for addressing our problems with the Chinese Government.

The President is prepared to use all the statutory authority at his disposal to ensure that China abides by the commitments it has made in trade and proliferation.

The President has laid out in an Executive order seven human rights areas in which the Chinese must meet our expectations if he is to extend MFN in mid-1994 for another year.

I am confident that the President is serious about Chinese performance in these areas, in part because they reflect his campaign commitment to bring about an improvement in human rights in China.

CONCLUSION

Mr. Speaker, House Joint Resolution 208 is not only the wrong way to promote our policy objectives. It will undermine our ability to speak with one voice.

With his China initiative, President Clinton has restored consensus within the United States Government on policy toward China. That consensus is valuable—our policy will succeed only if the President and Congress work together.

Passage of the Solomon resolution would destroy that consensus and take us back to the days when conflict characterized our policy toward China. The best hope for human rights in China is to look ahead: To support the President's China policy, and to defeat the Solomon resolution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GIBBONS], the distinguished chairman of the Subcommittee on Trade.

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

Mr. Speaker, conditions are not good in China. All of us know that. They have never been good in China for 6,000 years.

They are improving, and I think we ought to look back and put ourselves in the proper perspective here. When President Nixon wisely and courageously decided that our policy toward China in the past years following the Communist takeover of that country was unwise, sent his emissaries and went himself to that country to try to normalize relationships, we all waited and wondered. Conditions in China have slowly improved. Sometimes the improvement is faster than at other times. Other times there are some

times when they are stepping backward. But by and large, the Nixon policy of normalizing relations with China was wise.

The current President has said that he will take the lead in working on tougher relationships with China as far as imposing the things that Congress has tried to impose on our country on MFN. Next year we are going to meet on this floor and there will be a terrific debate as to whether or not the Chinese people and the Chinese Government have come as far as President Clinton wants them to. That will be the test of all of this.

Should we pass the Solomon resolution now and it becomes law, then we undercut the united front that the Congress and the President are trying to have toward China today, and that would be wrong. The trouble with our policy in the past is that the President would never cooperate with Congress on trying to impose tougher conditions upon China. This President has said I will, I do, and he has adopted all of the provisions of the Pelosi resolution and even strengthened them. And I urge Members to vote against Solomon, support Pelosi, support the President, and let us get on with this.

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

Mr. Speaker, the last two speakers, whom I have great respect for, talked about American foreign policy interests. Let me tell Members the benchmark of American foreign policy. It is the sovereignty of all nations and human rights for all people.

This policy applies under administrations of both Republicans and Democrats. The Chinese government has violated the sovereignty of Tibet, as well as Cambodia under the Khmer Rouge. The Chinese Government is in violation of human rights because of the imprisonment of over 1 million people. It is in violation of American law, the Jackson-Vanik amendment. Have Members heard about it? It is still on the books. It is American law, and it encourages the legitimate and free movement of people who live under Communist governments. The Chinese people cannot freely emigrate and come and go as they please.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Kentucky [Mr. BUNNING], a member of the Committee on Ways and Means.

Mr. BUNNING. Mr. Speaker, I rise today in strong support to House Joint Resolution 208—the resolution disapproving most-favored-nation status for China.

Continuing MFN for China would be another unfortunate step behind an ill-conceived policy. Over the past 13 years, United States policy toward China has been firmly and unequivocally in favor of human rights, fair trade, and nuclear nonproliferation.

Unless, unless, that firm and moral stand gets in the way of trade.

Let's look at the facts. In China, religious persecution is widespread. Beijing persists in its methodical abuse of the Tibetan people's human rights.

China exports goods made with forced labor in its prisons and China continues to imprison Chinese citizens and Tibetans whose only offense is the nonviolent expression of their political beliefs.

There is also overwhelming evidence that China has violated the terms of the missile technology control regime which limits the spread of ballistic missiles.

Beijing has sent advanced ballistic missile technology to such dangerous middle eastern nations as Syria and Iran.

China has also sold M-11 missiles to Pakistan, provided nuclear technology to Iran and refused to back United Nations sanctions against North Korea for abrogating the nuclear non-proliferation treaty.

China also is continuing a dangerous and destabilizing military buildup of its own.

How should we respond to all of this? Since the United States first granted MFN status to China 13 years ago, the prevailing school of thought has been to give China preferential trade status in hopes of encouraging China to improve its international conduct.

The thinking goes that this will also help bring about greater respect for human rights within China. This has not happened.

Unfortunately, the Ways and Means Committee voted to follow this don't-rock-the-boat policy again.

But, this policy has not proven itself very effective and there is no reason to believe that it will in the future.

If increased trade was going to affect China's conduct, that country should be preparing for sainthood by now.

United States trade with China is booming. Last year, China enjoyed an \$18 billion trade surplus. Our trade deficit with China for the first quarter of this year, stood at \$4.2 billion which is almost 25 percent greater than it was during the same quarter last year.

Yet, despite this trade boom, China does not seem to be in any great rush to change its observance of human rights or its trade policies.

The other school of thought about extending MFN to China is that some principles are worth standing up for.

That we shouldn't accept human rights abuses and a prison labor system in pursuit of free trade and the almighty buck.

That's the school of thought we should be following here. We should not be rewarding behavior that is immoral and abhorrent to free people everywhere. The Ways and Means Committee's action in adversely reporting the resolution of disapproval does exactly that.

This is not a partisan issue. We should not change our position just be-

cause we have a new President—a President of a different party.

Morality is not partisan. Right and wrong are not partisan. This is an issue that should definitely rise above party politics.

Sometimes you just have to stand up for what is right.

Last year we did. We passed a resolution of disapproval by a vote of 258-135.

I have the vote right here and I would like to make this part of the RECORD.

Congress should disapprove the extension of China's most-favored-nation status. We should prove that the country still has some principles which aren't for sale.

I ask my colleagues to reach back in their memories to those stirring scenes in Tiananmen square—the tanks crushing liberty. Nothing has changed—China has not changed.

Until change is forthcoming, we should not reward this kind of callous disregard for human rights.

Mr. BUNNING. Mr. Speaker, I thank the gentleman for yielding the time.

[Roll No. 285]

YEAS—258

Abercrombie, Ackerman, Alexander, Allen, Andrews (ME), Andrews (NJ), Annunzio, Anthony, Applegate, Aspin, Bacchus, Ballenger, Barnard, Barton, Beilenson, Bennett, Bentley, Berman, Bevill, Bilbray.

Blackwell, Billey, Boehlert, Bonior, Borski, Boucher, Browder, Bruce, Bryant, Bunning, Burton, Bustamante, Byron, Cardin, Carper, Chapman, Clay, Clement, Coble, Coleman (MO).

Coleman (TX), Collins (IL), Collins (MI), Combust, Condit, Cooper, Costello, Cox (CA), Cox (IL), Coyne, Cramer, Cunningham, Darden, Davis, de la Garza, DeFazio, DeLauro, Dellums, Derrick, Dixon.

Donnelly, Dooley, Doolittle, Downey, Duncan, Dwyer, Dymally, Early, Eckart, Edwards (CA), Edwards (OK), Edwards (TX), Engel, Erdreich, Espy, Evans, Fascell, Fish, Flake, Foglietta.

Ford (MI), Frank (MA), Franks (CT), Frost, Gallegly, Gaydos, Gejdenson, Gekas, Gephardt, Gilchrest, Gillman, Gonzalez, Gordon, Gunderson, Hall (OH), Harris, Hayes (IL), Hayes (LA), Hefley, Hefner.

Henry, Herger, Hertel, Hochbrueckner, Holloway, Hopkins, Horn, Horton, Hoyer, Hubbard, Hunter, Hutto, James, Jefferson, Jenkins, Jones (NC), Jontz, Kanjorski, Kaptur, Kasich.

Kennedy, Kildee, Kleczka, Kostmayer, Kyl, LaFalce, Lantos, Laughlin, Lehman (FL), Levin (MI), Levine (CA), Lewis (FL), Lloyd, Long, Loney (NY), Manton, Markey, Martinez, Mavroules, Mazzoli.

McCandless, McCollum, McCurdy, McHugh, McMillan (NC), McMillen (MD), McNulty, Mfume, Mineta, Mink, Moakley, Molinari, Moody, Moran, Morella, Murtha, Myers, Neal (MA), Neal (NC), Oakar.

Oberstar, Obey, Olin, Olver, Ortiz, Owens (NY), Owens (UT), Pallone, Panetta, Parker, Pastor, Patterson, Paxon, Payne (NJ), Pelosi, Porter, Poshard, Price, Pursell, Quillen.

Rahall, Ramstad, Rangel, Ravenel, Rhodes, Richardson, Ridge, Riggs, Ritter, Rogers, Rohrabacher, Ros-Lehtinen, Rose, Roth, Rowland, Roybal, Russo, Sabo, Sanders, Sangmeister.

Sawyer, Schaefer, Schiff, Schroeder, Schulze, Schumer, Sensenbrenner, Serrano, Sikorski, Siskisky, Skeen, Skelton, Slaughter, Smith (FL), Smith (NJ), Smith (TX), Snowe, Solomon, Spence, Spratt.

Staggers, Stark, Stearns, Stokes, Swett, Synar, Tallon, Tanner, Tauzin, Taylor (MS), Taylor (NC), Thomas (CA), Thornton, Torres, Traficant, Traxler, Unsoeld, Upton, Valentine, Vento.

Visclosky, Walker, Walsh, Washington, Waters, Waxman, Weiss, Weldon, Wheat, Wilson, Wolf, Wolpe, Yates, Yatron, Young (AK), Young (FL), Zelfiff, Zimmer.

NAYS—135

Allard, Anderson, Andrews (TX), Archer, Arney, AuCoin, Baker, Barrett, Bateman, Bereuter, Bilirakis, Boehner, Brewster, Brooks, Broomfield, Callahan, Camp, Campbell (CA), Chandler, Clinger.

Crane, DeLay, Dickinson, Dicks, Dingell, Dorgan (ND), Dreier, Emerson, English, Ewing, Fawell, Fazio, Gallo, Geren, Gibbons, Gillmor, Glickman, Goodling, Goss, Gradison.

Grandy, Green, Guarini, Hall (TX), Hamilton, Hammerschmidt, Hancock, Hansen, Hastert, Hoagland, Hobson, Houghton, Huckaby, Hughes, Inhofe, Jacobs, Johnson (CT), Johnson (SD), Johnson (TX), Kennelly.

Klug, Kolbe, Kopetski, Lagomarsino, LaRocco, Leach, Lent, Lewis (CA), Lightfoot, Livingston, Lowery (CA), Luken, Marlenee, Martin, Matsui, McCrery, McDade, McDermott, McGrath, Meyers.

Michel, Miller (OH), Miller (WA), Montgomery, Moorhead, Murphy, Nagle, Natcher, Nichols, Nowak, Nussle, Orton, Oxley, Packard, Payne (VA), Pease, Penny, Peterson (MN), Petri, Pickett.

Pickle, Reed, Regula, Rinaldo, Roberts, Roe, Roemer, Rostenkowski, Santorum, Sarpalius, Saxton, Scheuer, Sharp, Shaw, Shays, Shuster, Skaggs, Slattery, Smith (LA), Smith (OR).

Solarz, Stallings, Stenholm, Stump, Sundquist, Swift, Thomas (CA), Thomas (WY), Vander Jagt, Volkmer, Vucanovich, Weber, Williams, Wyden, Wylie.

NOT VOTING—41

Atkins, Boxer, Brown, Campbell (CO), Carr, Conyers, Coughlin, Dannemeyer, Dornan (CA), Durbin, Feighan, Fields, Ford (TN), Gingrich, Hatcher, Hyde, Ireland, Johnston, Jones (GA), Kolter.

Lancaster, Lehman (CA), Lewis (GA), Lipinski, Machtley, McCloskey, McEwen, Miller (CA), Mollohan, Morrison, Mrazek, Perkins, Peterson (FL), Ray, Roukema, Savage, Studds, Torricelli, Towns, Whitten, Wise.

The Clerk announced the following pairs:

On this vote:

Mrs. Roukema for, with Mr. Ireland against.

Messrs. Klug, Johnson of Texas, English, Nagle, Hall of Texas, Hughes, and Emerson changed their vote from "yea" to "nay."

Messrs. McMillen of Maryland, Spence, Darden, Bevill, Rowland of Georgia, and Cramer changed their vote from "nay" to "yea."

So the joint resolution was passed:

The result of the vote was announced as above recorded.

□ 1120

Mr. CRANE. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I rise in strong opposition to House Joint Resolution 208, which disapproves the President's decision to extend MFN trade status to China for another year.

The issue of China's MFN status is a difficult one for all of us. Strong desires for improvements in human rights practices, weapons policies, and trade, held by every Member in this body, tend to obscure the most rational course for achieving progress.

The disapproval resolution was reported unfavorably to the House, by the Committee on Ways and Means, in order to fulfill its responsibility once again under the Jackson-Vanik statute. The vote in committee against this bill and its purpose of cutting off trade with China was 35-2.

Even in the face of abhorrent behavior on the part of the Beijing Government, I continue to believe that pulling MFN would be a rash and fruitless measure, for which our exporters and consumers would pay a dear price. Nor will we achieve our shared goals of political and economic reform for the Chinese people, because our ability to engage the Chinese Government in negotiations would be lost.

With few arrows of influence left in our quiver, our exporters would suffer certain trade retaliation in this large and growing export market of over 1.2 billion people. Export sales of \$7 billion in sectors such as wheat, aerospace, computers, fertilizer, cotton, and wood products would be the first to suffer the effects of shutting down the United States-China trade relationship. These sales would be easily filled by competitors in Japan or the EC.

I have to ask the proponents of House Joint Resolution 208 what—other than empty symbolism—would be gained for the suffering people of China?

Our debate here today will be significantly shorter than in previous years because of the decision taken by President Clinton, through Executive order. On May 28 he announced a conditionality approach to United States-China trade, almost identical in substance to legislation debated in this Chamber, in each of the last 4 years.

It is frustrating to deal with a President whose proclivity for untenable compromises leads him to tie his own hands in the foreign policy and trade areas. Conducting diplomacy by way of a politically motivated and publicly announced set of conditions substantially limits the ability of the United States to respond to evolving circumstances.

While I support the President's decision to extend MFN this year, I feel he has set up a dangerous situation by making his own decision on certification next year hostage to the behavior of a highly unstable and erratic government. We can only hope for the best.

Severing ties with China by revoking MFN would undermine broader security and economic interests in Asia as a whole. In my view, we have a substantial interest in preserving a stable society in Hong Kong, and in forging

an expanded role for Taiwan in the international economy.

Seventy percent of China's exports to us are further processed in Hong Kong, and then shipped on to the United States. This chain of free market associations and all the personal interchanges involved serves as a natural brake on the forces of Chinese totalitarianism. It is these entrepreneurs, both in Hong Kong and China, who would suffer the most by the rash act of extinguishing trade relations—not the dictators struggling to hold on to power in Beijing.

Finally, Mr. Speaker, I would like to reemphasize that we must redouble efforts to achieve Taiwan's membership in the GATT.

We must let this country assume its hard-earned place as a major trader in the world economy—irrespective of the halting and often regressive efforts at trade liberalization made by the Chinese Government. In my view, it is unreasonable to expect that Beijing will be prepared to join GATT in the same timeframe as Taiwan, and I would urge the administration to insist on prompt consideration of Taiwan's GATT application. This issue has dragged on far too long.

Extinguishing the lifeline economic relations with the Chinese people will achieve no useful purpose. I urge a "no" vote on House Joint Resolution 208.

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

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

Mr. SOLOMON. Mr. Speaker, I yield an additional minute to the gentleman from Ohio [Mr. TRAFICANT].

The SPEAKER pro tempore. The gentleman from Ohio [Mr. TRAFICANT] is recognized for 2 minutes.

Mr. TRAFICANT. Mr. Speaker, we are not talking about free trade today. We are literally talking about slave trade. China has been convicted of dumping in our marketplace; China has been convicted of putting false labels on products, supposed to be made in America, to circumvent our buy-American laws; China's record of illegal trade is now legend. The list goes on, including denying access to American companies on American products.

And what does Congress do? Congress raises taxes on American constituents, Congress extends unemployment benefits for laid-off American workers because of this foolish trade policy.

□ 1130

Congress adds billions of dollars to every bill to retrain American workers. Why do we have to retrain? Because the training they have is not necessary because they do not have their damn jobs anymore.

And what does Congress do? Grants most-favored-nation trade status, forget the human rights business here, to

a nation that has just enacted a new law, the death penalty for any Chinese worker who manufactures a faulty product.

Do you know why? What do you with a Chinese laborer in prison who screws up a toaster knowingly?

Now, that is taking product liability law a little damn far, I say to the Congress.

The high wage in China is 19 cents an hour, and you are trying to figure out how to straighten out America's economy.

The American people should export Congress. The free traders around here are so damn dumb they could throw themselves to the ground and miss.

Vote for this amendment, and I will tell you what, if you are an American worker back home, take a look at the voting record of the Members on this bill.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, I rise in opposition to the Solomon amendment.

I share the gentleman's deep concern about human rights issues and also about trade policies. I voted for the resolution last year, but there is a new development here, and that is a President willing to take on the problem.

Those who say the President is not going far enough should remember that he succeeds an administration unwilling to confront the problem at all.

I commend the President for taking into account in his decision to include the preservation of Tibet's distinctive religious and cultural heritage in the human rights conditions stated in the Executive order. We are going to be working and meeting with the White House and the State Department to make sure that we monitor what is going on.

In a word, let us give the President's policies a chance to work. He has had the courage to tackle the issues. Let us have the wisdom to work with him instead of against him to make his policies work.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH], a distinguished member of the Committee on Foreign Affairs.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my friend for yielding me this time.

Mr. Speaker, I rise in strong support of the Solomon-Markey resolution. Despite the fact that China has one of the worst, most deplorable human rights records in the world, Mr. Clinton has chosen to reward the Chinese Government by extending most-favored-nation [MFN] for a year with incomplete human rights conditions. Mr. Clinton has sidestepped—for another year—the burden of making a tough decision.

While this approach may have some surface appeal. I strongly believe

Beijing's long-term record and especially its present human rights performance strongly undermines the notion that, with a little more time, China will reform itself.

During his campaign, Mr. Clinton in no uncertain terms blasted the Chinese leadership and properly labeled them as dictators. I agreed. Now that he is President, Mr. Clinton has given those same dictators a year's reprieve, despite the fact that human rights in China have not improved one wit—and in certain categories have actually gotten worse. Frankly, barring a miracle, MFN for the People's Republic of China [PRC] is dead next year—even if our effort falls short today.

Let us not be so naive to salve our consciences with some nice sounding words—a little paper—extolling reform. Thus far the Chinese hardliners are not impressed. Look at their stonewalling, in your face stance at the Vienna Human Rights Conference. Let us not kid ourselves. They are moving in the wrong direction. The Chinese Government's plan is to finesse and manipulate.

Let us completely empathize with the oppressed and in no way prop up the oppressor.

Mr. Chairman, religious believers must know that the United States will not stand by as they are beaten and killed for exercising their beliefs. Catholic Bishop Stephen Liu Difen died in detention in November 1992, with evidence of severe physical abuse.

In March, house church members in Taoyuan were handcuffed, stripped, and beaten unconscious—thousands of others elsewhere in China have been similarly mistreated.

Mr. Chairman, I am submitting for the RECORD a list of over 100 Christians who are imprisoned, detained, or persecuted because of their religious activities, a tip of the iceberg of repression in the PRC. The conditions of their detentions vary. Some are held incommunicado, some are under house arrest, some are restricted to their villages and under close surveillance. The exact conditions of some of these prisoners remains unknown. According to recent reports, some prisoners are being transferred to administrative detention in old people's homes where, the Government claims, they are being cared for. Because human rights groups are denied access to these homes it is suspected that prisoners could be subject to greater forms of abuse and torture.

Political prisoners by the millions are forced to work in one of the approximately 1,000 documented slave labor camps located around the country. Products made in these camps by men and women who are slave laborers are sometimes routed to U.S. markets at a great disadvantage to our domestic producers. FRANK WOLF and I visited one of these gulags—Beijing Pris-

on No. 1. At least 40 student protesters languish there.

In addition, the Chinese Government has continued to abuse women through its one couple-one child coercive population control policy. Implementation of this policy relies heavily on tens of millions of forced abortions and involuntary sterilization. Only Big Brother in Beijing has the power to authorize the birth of a child. Couples who somehow have children without following the birth quota system are subject to beating, fines, confiscation or destruction of property, and heavy taxation.

Chinese authorities deny that their birth quota policy is coercive, but a recent story in the New York Times exposed the policy for what it is. Li Qiuliang was 7 months pregnant on December 30, 1992. The local family planning official wanted Ms. Li to give birth in 1992 to meet the local quota. Ms. Li was taken to an unsanitary first-aid station where the official ordered labor be induced. Though her family and doctor protested, the officials insisted. The baby died 9 hours later and Ms. Li, who almost died during labor is incapacitated.

Even Secretary of State Warren Christopher, testifying before the House Foreign Affairs Committee, acknowledged that he found the New York Times exposé "really very abhorrent," and suggested that "in considering what conditions might be attached to the continuation of MFN, one of the matters we would consider is the human rights aspects of forced abortions and the policies that the Chinese are following." Just 2 weeks later, the President recommended that China be rewarded MFN, and made no mention of the coercive birth quota policy. Once again, the right of children to live is the forgotten human right.

China's denial of basic human rights is not limited to within the borders of the country. On May 27, after being pressured by the Chinese Government, U.N. Secretary Boutros-Ghali would not allow Shen Tong, one of the leaders of the Tiananmen Square democracy movement, to speak at a press conference in the U.N. Correspondents Association club located in the U.N. building. Only a few weeks later, China succeeded in denying freedom of speech to the Dalai Lama, the spiritual leader of Tibet, who was planning to speak at the opening ceremonies of the U.N.-sponsored human rights conference in Vienna.

I believe that our foreign trade policy must reflect the U.S. commitment to human rights. Favorable trade and other bilateral negotiations must be linked to human rights. And, above all, the U.S. policy must be clear that we stand with the victims—not the oppressors. But, with regards to China, the administration has abandoned its role as the leader for world human rights.

From freedom of speech, to freedom of conscience, to the rights of women,

to the basic right to human life, China leads the world in violating the human rights of its people. Still, Mr. Clinton, who fashions himself an advocate of human rights, has decided to reward again the Communist leaders of China.

In my opinion, the conditions outlined in the Executive order do not go far enough. We have tried to negotiate improved conditions before and no real changes occur. The situation is critical and, if we truly wish to help the Chinese people, we must concede that the Chinese Government will respond to nothing short of suspending or terminating MFN.

We must serve notice to the Chinese Government that we will not stand by while thousands of people are imprisoned, forced into slave labor, denied freedom of speech and worship, abused, tortured, and slaughtered. Why must we wait another year for China to change its policies? We have already waited over 10 years. By extending MFN for 1 more year the administration will reward the Chinese Government while that Government continues to control and slaughter its people.

Today we have an opportunity to right a wrong. By supporting this resolution and disapproving MFN trade status for China we will send a clear message that the United States stands with the victims of oppression. We will once again assert our role as leader for world human rights. We will stand up to the tyrants of China and for the voiceless thousands who look to us for help.

Mr. Speaker, I urge my colleagues to support this resolution and to put both the Chinese Government and our own administration on notice that this body will no longer tolerate the systemic violation of human rights, nor will we allow these violations to be rewarded.

IMPRISONED, DETAINED, OR PERSECUTED
CATHOLIC AND PROTESTANT BELIEVERS IN
THE PEOPLE'S REPUBLIC OF CHINA
CATHOLIC BELIEVERS

1. Bishop Fan Yufei: Bishop of Zhouzhi, Shaanxi province. Arrested around Easter 1992 and released in September 1992. Remains under house arrest in his home village.

2. Bishop Cosmas Shi Enxiang: Age 71. Auxiliary bishop of Yixian, Hebei. Reportedly arrested after mid-December 1990. Reportedly being held in an "old people's home."

3. Bishop Joseph Fan Zhongliang: Age: 73. Jesuit Bishop in Shanghai. Subjected to interrogations for 18 months. Bishop Fan disappeared on June 10, 1991, his home was searched and all belongings, including furniture and books were confiscated by authorities. Released by Public Security Bureau August 19, 1991, but remains under surveillance and subject to frequent interrogation. Recent reports indicate he is still unable to leave Shanghai and is still kept under surveillance.

4. Bishop Peter Chen Jianzhang: Bishop of Baoding. Disappeared from residence in Xiefangying, Xushui County, in mid-December 1990. Being held against his will in "old age home" in Hebei Province. Currently confined to wheelchair and suffers from diabetes. His health continues to deteriorate.

5. Bishop Paul Liu Shuhe: Age 69. Second Bishop of Yixian, Hebei Province. Having been arrested and imprisoned on October 30, 1988, because of ill health his 3 year sentence was commuted to house arrest on January 16, 1989. Subsequently arrested on December 13 or 14, 1990, along with other Catholic leaders. Around Easter 1992 he escaped from the "old age home" where he was being held against his will and is currently in hiding. He is in need of medical attention but is unwilling to be treated out of fear of being found. Police are actively seeking his whereabouts.

6. Bishop John Baptist Liang Xisheng: Born in 1923. Bishop of Kaifeng Diocese, Henan Province. Arrested in October 1990. Under police surveillance as of February 1991 and restricted to the village.

7. Bishop Vincent Huang Shoucheng: Bishop of Fu'an, Fujian. Arrested along with four deacons on July 27, 1990, in an unspecified location. Placed under village restriction in June 1991.

8. Bishop Bartholomew Yu Chengdi: Age: 72. Bishop of Hanzhong diocese, Shaanxi Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference, imprisoned in Xi'an Prison until July 1990. He "disappeared" from his residence in August 1991, and was held in re-education camp until November 1991. He is now restricted to his home village.

9. Bishop Mathias Lu Zhensheng: born in 1919. Second Bishop of Tianshui, Gansu Province. Arrested in late December 1989, and sentenced to unknown prison term. It is reported that he has been released for health reasons but is restricted to his home village.

10. Bishop Guo Wenzhi: born in 1918. Bishop of Harbin, Heilongjiang Province. Interned from 1954 to 1964, he was arrested in 1966 and served in a prison camp for "reform through labor" in Xinjiang Autonomous Region until his release in 1979. Again, Bishop Guo was arrested in December 1989 and was released in March 1990. Since that time, he has been restricted to his home village in Qiqihar and is under strict police surveillance.

11. Bishop Joseph Li Side: Bishop of Tianjin diocese. Arrested on December 8, 1989 and reportedly was tried in secret and sentenced to seven years in prison. Released June 7, 1991. Rearrested April 11, 1992, reportedly exiled to the rural village of Liang Zhuangzi, which he is forbidden to leave.

12. Bishop Jiang Liren: Bishop of Hohhot, Inner Mongolia. Date of his arrest in connection with Bishops' Conference is uncertain but may have occurred in November or December 1989. He is reported to have been released from prison in April 1990, but is confined to his home village where the authorities are subjecting him to character assassination.

13. Bishop Julius Jia Zhiguo: Born in 1935. Bishop of Zhengding, Hebei Province. Arrested in April 7, 1989, in Beijing and transferred to house arrest in his home village of Wuqiu in September 11, 1989. Thought to be in poor health, and Religious Affairs Bureau claims he is in "old people's home." Recent reports say he is no longer being held by authorities but is subject to short detentions by the Public Security Bureau.

14. Bishop John Yang Shudao: Bishop of Fuzhou, Fujian Province. Arrested in February 1988, in Liushan village, Fujian Province. Released in February 1991, but remains under close surveillance.

15. Bishop Casimir Wang Milu: Born in 1939. Bishop of Tianshui diocese, Gansu Province. Arrested in April 1984, and sentenced in

1985 or 1986 to ten years of "reform through labor" and four years' forfeiture of political rights. He was released on parole April 14, 1993 and is living with his parents. His travel is restricted until April 1994 when his sentence expires.

16. Bishop Hou Guoyang: From Sichuan Province. Arrested in early January 1990, in connection with the Bishops' Conference, and detained until early 1991. He is now under police surveillance in Chongqing City. Requests about his current status from the State Department have gotten no responses from Chinese authorities.

17. Father Wang Dajian: Age: 70's. Arrested along with two nuns in June or July 1992 in Suzhou, Jiangsu. Although the nuns were released in August, there has been no report of his release. Being held either by the Changshu Public Security Bureau or in Suzhou.

18. Father Shang Li: Arrested July 25, 1992 at Xuanhua, Hebei. Although Chinese authorities reported his release in March 1993 there have been no independent confirmations.

19. Father Han Dingxiang: Age: 55. Vicar General of Handan diocese, Hebei Province. Imprisoned from 1960 to 1979 for religious activities and beliefs and detained again in 1989. Arrested December 26, 1990, and now detained in an indoctrination camp in Handan with at least 20 other Catholics.

20. Father An Shi'en: Born in 1914. Vicar General of Daming diocese, Hebei Province. Arrested within days after the December 26, 1990 arrest of Father Han Dingxiang. Released December 21, 1993 but reportedly severely restricted.

21. Father Zhu Ruici: Chancellor of Xiapu. Arrested on July 27, 1990, during meeting on Church affairs at Luojiang Church in Fu'an city, Fujian Province, and is currently imprisoned.

22. Father Liu Guangpin: Priest of Fu'an, Fujian Province. Also arrested along with Father Zhu, and is currently imprisoned.

23. Father Zou Xijin: Priest of Fu'an, Fujian Province. Also arrested in July 1990, along with Father Zhu in July 1990, and is currently imprisoned.

24. Father Xu: Arrested in Fu'an on July 27, 1990. No news of his release from prison.

25. Father Zheng: Arrested in Fu'an on July 27, 1990. Reportedly released January 28, 1992.

26. Father Zhu: Arrested in Fu'an on July 27, 1990. Reportedly released January 28, 1992.

27-29. Fathers Guo: Three priests, all of the same name. Among the nine arrested in Fu'an Province on July 27, 1990. Released on bail for health reasons and confined to house arrest in their respective villages.

30. Bishop Mark Yuan Wenzai: Age: 69. Bishop of Nantong, Jiangsu Province. After brief period of police detention, was placed under custody of local Catholic Patriotic Association bishop, Yu Chengcol, in July 1990.

31. Father Wang Ruohan: Brother of Bishop Wang Milu (see 15). Priest of Tianshu diocese, Gansu Province. Arrested in December 1989, and served one year of reform through labor, continues to have severe restrictions on movement.

32. Father John Wang Rouwang: Brother of Bishop Wang Milu (see XX). Arrested December 1989 and charged with "illegal religious activities." Detained again in late 1991 for caring for a dying bishop. Currently under strict restriction of movement.

33. Father Yu Chengxin: Priest of Hanzhong diocese, Shaanxi Province (brother of Bishop Bartholomew Yu Chengdi). Imprisoned between mid-December 1989 and July

1990, in connection with Bishops' Conference. Reportedly "disappeared" from his residence in early August 1991. Supposedly released November 1991 but have been unable to confirm.

34. Father Chen Yingkui: Priest of Yixian diocese, Hebei province. Arrested in 1991 and currently being held without trial.

35. Father Wei Jingyi: Age: mid-30s. Priest of Qiqihar, Heilongjiang Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. In March 1991, was sentenced to 3 years' "re-education through labor." His reported release in March, 1993 cannot yet be independently confirmed.

36. Father Pei Guojun: Priest of Yixian diocese, Hebei Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. Reportedly now imprisoned.

37. Father Anthony Zhang Gangyi: Age: 84. Priest of Sanyuan diocese, Shaanxi Province. Imprisoned several times for a total of 30 years between 1949 and the present. Arrested on December 11, 1989, in connection with underground episcopal conference; released, and rearrested on December 28, 1989. Released on June 6, 1990, because of his health, but now under travel restrictions.

38. Father Su Zheming: Age: 60. Vicar General, Baoding diocese, Hebei Province. Arrested in December 17, 1989, because of his role in helping establish an independent episcopal conference in Shaanxi Province in November 1989. Sentenced on May 21, 1990, to three years "reform through labor," served at a labor farm near Tangshan, Hebei Province, and later was moved to another labor camp. He was reportedly released in mid-1992 but remains under police surveillance.

39. Father Shi Wandu: Priest of Baoding diocese, Hebei Province. Arrested on December 9, 1989, in Xushui (southwest of Beijing), now reportedly in prison.

40. Father Pei Zhenping: Priest of Youtong village, Luancheng County, Shijiazhuang, Hebei Province. Arrested on October 12, 1989, now reportedly in prison. Chinese authorities report that he was released in March, 1993, but this cannot yet be independently confirmed.

41. Father Xiao Shixiang: Age: 58. Trappist priest of Yixian diocese. Arrested on October 20, 1989, later released but re-arrested December 12, 1991, after leading a retreat in Dingxian.

42. Father Pei Ronggui: Age: 54. Trappist priest of Youtong village, near Shijiazhuang, Hebei Province. Officiated at Youtong village, where police went on a bloody rampage against the town's 1500 Catholics on April 18, 1989. Reportedly arrested in Beijing on September 3, 1989. According to an unconfirmed report, Father Pei had been sentenced to 5 years' in prison. It has been recently reported that he was paroled in March, 1993 with restrictions placed on his movement and associations.

43. Father Feng Yongbing: Age: 35. Priest of Changle County, Fujian Province. Arrested on September 14, 1988. He has reportedly been released, but this has not been confirmed.

44. Father Wang Yiqi: Priest of Fujian Province. Reportedly arrested in Liushan village, Fujian Province on February 28, 1988. He has reportedly been released, but this has not been confirmed.

45. Father Li Fangchun: Priest of Guide diocese, Henan Province. Arrested in early 1980's. Although he was reportedly released in October, 1992 his current conditions are unknown.

46. Father Zhang Shentang: Priest from Nanyang diocese, Henan Province. Sentenced in early 1980s to 17 years in prison. Reportedly murdered in July.

47. Father Zhu Baoyu: Priest from Nanyang diocese, Henan Province. In 1982, sentenced to 10 years imprisonment. Although he has been paroled, he is restricted to Jingang village, Henan.

48. Father Joseph Chen Rongkui: Age: 28. Arrested December 14, 1990, at the Dingxian railroad station. Charges are unknown and he is being held without trial.

49. Father Paul Liu Shimin: Age: 32. Arrested December 14, 1990, in Xiefangying, Xushui County. Charges are unknown and he is being held without trial.

50. Father Peter Hu Duocer: Age: 32. Arrested by Public Security Bureau personnel on December 14, 1990, in Liangzhuang Village, Xushui County. Charges are unknown and he is being held without trial.

51. Father Ma Zhiyuan: Age: 28. Arrested December 13, 1991, in Houzhuang, Xushui County, Hebei Province. Reason for arrest is unknown and he is being held without trial.

52. Father Liu Heping: Age: 28. Arrested December 13, 1991, at home in Shizhu village, Dingxing County. Being held without trial.

53. Father Peter Cui Xingang: Age: 30. Priest in Donglu Village, Qingyuan County, a popular Catholic shrine. Arrested at midnight July 28, 1991; current status is unknown.

54. Father Joseph Guo Fude: Age 69. Member of Society of the Divine Word. Served 22 years in detention previously. Arrested Spring 1982. Reportedly under house arrest and/or strict police surveillance. Had been interned in labor camp in southern Shandong.

55. Father Li Zhongpei: Arrested December 3, 1990, sentenced to 3 years "re-education through labor." Serving term at Tangshan Reeducation-through-Labor Center in Hebei Province. Chinese authorities reported his release in March, 1993 but this has not been independently confirmed as of yet.

56. Father Liao Haiqing: Age: about 50. Priest of Jiangxi Province. Arrested November 19, 1981. As of 1988, interned in Prison No. 4, Nanchang, Jiangxi Province. Chinese authorities reported his release in March, 1993 but this has not been independently confirmed as of yet.

57. Father Fu Hezhou: Age: 68. Arrested and imprisoned November 19, 1981. Reportedly has since been transferred to house arrest and/or strict police surveillance.

58. Father Lin Jiale: Imprisoned in Fuzhou, Fujian Province.

59. Father Liu Shizhong: Imprisoned in Fuzhou, Fujian Province.

60. Father Wang Jiansheng: Age: 40. Arrested May 19, 1991, sentenced to 3 years "re-education through labor." Charges unknown. As of March 1992, held at Xuanhua reeducation center in Hebei. Chinese authorities reported his release in March, 1993 but there have been no independent confirmation as of yet.

61. Father Gao Fangzhan: Age: 27. Yixian Diocese, Hebei Province. Arrested in May 1991, outside Shizhu Village in Dingxing County and currently being held without trial.

62. Father Li Xinsan: Priest of Anguo diocese, Hebei province. Arrested late 1990 or early 1991. Reportedly detained without trial in an indoctrination camp in Handan.

63. Father Xu Guoxin: Priest of Langfang diocese, Hebei province. Arrested December 1991 and sentenced to three years "re-education through labor."

64. Deacon Ma Shunbao: Age: 42. Arrested November 6, 1991 and being held without trial.

65. Deacon Wang Tongshang: Age: 56. Deacon and community leader in Baoding diocese Hebei Province. Arrested on December 23, 1990, and being held at Re-education Center in Chengde, Hebei. Chinese authorities reported his release in March, 1993 but there have been no independent confirmations.

66. Deacon Dong Linzhong: Resident of Dongdazhao Village, Baoding, Hebei province. Arrested December 21, 1992.

67. Pei Shangchen: Community leader in Youtong village, Hebei Province. Arrested on October 23, 1989 and reportedly now in prison.

68. Pei Jieshu: Community leader in Youtong village, Hebei Province. Also arrested in October 1989 but reportedly has been released. No confirmation of his release has been received.

69. Chen Youping: Layman of Fujian Province. Arrested on March 1, 1988, in Liushan village. He is reportedly free now, but this has not been independently confirmed.

70. Wang Jingjing: Layman of Fujian Province. Reportedly arrested on February 28, 1988, in Liushan village and reportedly released, but this has not been confirmed.

71. Zhang Weiming: Catholic intellectual. Apprehended along with his wife, Hou Changyan, on December 14, 1990, and held without charge. After two months, Hou Changyan was released and told that her husband was being held for religious and political reasons. Expected to be released from prison December 15, 1992. Chinese authorities reported his release in March, 1993 but there have been no independent confirmations.

72. Zhang Dapeng: Layman from Baoding Hebei. Arrested in mid-December 1990, along with his wife, Zhao Zhongyue, who was released after 3 months but has not been permitted to return to her job. Reportedly detained without charge.

73. Zhang Youshen: Age: 65. Retired editor, Huadong Bu Di Yi Jiaopian Chang (Chemical Industry Department #1 Film Factory), Baoding, Hebei Province. Sentenced without trial on July 2, 1991, to 3-year term of "re-education through labor," for writing unpublished article "Criticism of Chinese Catholic Patriotic Association." Serving term at Hengshui Labor Camp in Hebei. Chinese authorities reported his release in March, 1993 but there are no independent confirmations.

74. Zhang Guoyan: Son of Zhang Youshen. Administratively sentenced to 3 years of "re-education through labor." Chinese authorities reported his release in March, 1993 but there are no independent confirmations.

75. Zhang Youzong: Lay Catholic arrested in late 1990 or early 1991. Sentenced to three years' imprisonment. Chinese authorities reported his release in March 1993 but there have been no independent confirmations.

76. Shi Guohui: Catholic lay leader from Baoding, Hebei province. Reportedly arrested in late 1990. No further information is available.

PROTESTANT BELIEVERS

1. Xu Guoxing: Born March 1955. House-church leader in Shanghai. Arrested in Shanghai for "illegally establishing Church of God of Shanghai," he was under intensive investigation from March to June 1989, but released without charge. Rearrested in November 1989, charged with forming illegal house churches in Shanghai, Jiangsu, Zhejiang, and Anhui Provinces. Serving a sentence of three years "reform through labor," in Dafeng, Jiangsu Province.

2. Xu Yongze: Age: 51. From Nanyang, Zhenping County, Henan Province. House

church leader. Arrested on April 16, 1988, in Yuetan Park in Beijing, where he was attempting to attend a service led by American evangelist Billy Graham, by officials of the Ministry of State Security. Sentenced to three years imprisonment and released in May 1991. He has since been under close surveillance.

3. Song Yude: Age: 39. Pastor from Baimaio village, Yuehe District, Tongbo County, Henan Province. Arrested on July 16, 1984, for "counter-revolutionary" crimes in connection with his refusal to join the TSPM. Tried and convicted in January 1986, for distributing "reactionary" religious publications and conducting illegal religious meetings. Sentenced to eight years in prison and three years deprivation of political rights. While reportedly released in April 1992, it is believed Song still faces the deprivation of political rights.

4. Pei Zhongxun (Chun Chul): Age: 74. Protestant activist from Shanghai. Arrested in August 1983, and sentenced to 15 years in prison. He is in prison near Shanghai and allowed visitors only once each month. His family is concerned about his deteriorating health.

5. Sha Zhumei: Born in 1919. Member of independent Protestant church. Arrested at home in Shanghai on June 3, 1987, and reportedly beaten by police. She had previously served a six year sentence for her religious activities and allegedly urged her son, a religious protestor sought by police, to leave Shanghai. Tried November 2, 1987, reportedly in secret, and convicted of "harboring a counter-revolutionary element." She was released April 3, 1992 for health reasons but there are many restrictions placed on her.

6. Zhang Yonglian: House church leader from Fangcheng, Henan Province. Arrested and detained by Public Security Bureau in September 1990, for allegedly maintaining contact with international Christian organizations and receiving unauthorized religious literature from overseas. In late August 1991, sentenced to 3 years "reform through reeducation."

7. Xie Moshan (or Wushan): Age: in 70s. House church leader from Shanghai. Imprisoned for religious reasons between 1956 and 1980. Detained on similar charges in 1984. Arrested April 24, 1992, after returning from Guangzhou. Charged with "illegal itinerant evangelizing." Reportedly released July 23, 1992 but his movement is restricted and he is required to report periodically to the local Public Security Bureau.

8. Lin Xiangao (Samuel Lamb): Age: 67. Pastor of Damazhan house church in Guangzhou. Interrogated by Public Security Bureau officials March 23, 1992, about failure to register church. Church ransacked by PBS officials on March 24; interrogated again March 28 and ordered to register church which he has refused.

9. Chang Rhea-yu: Age: 54. Member of house church in Fujian Province. In May 1990, badly hurt when Public Security Bureau officials ransacked her home and confiscated Bibles and Christian literature. Detained August 25, 1990; charged March 27, 1991, with "inciting and propagating counter-revolution." Tried April 9-10, 1991, for holding illegal meetings; distributing seditious propaganda through cassette tapes; attacking the government, including action in Tiananmen Square; and corresponding with foreigners. Reportedly still in detention.

10. Yang Rongfu. Member of house church in Anhui Province. Reportedly arrested prior to June 1990 for unspecified reasons. Has been prevented from seeing his family.

11. He Suolie. House church leader from Henan Province. Arrested and sentenced in 1985 to 8 years in prison for opposing Three Self Patriotic Movement.

12. Kang Manshuang. House church leader from Henan Province. Arrested and sentenced in 1985 to 5 years in prison for opposing Three Self Patriotic Movement. No confirmation of his release.

13. Du Zhangji. House church leader from Henan Province. Arrested and sentenced in 1985 to 4 years in prison for opposing Three Self Patriotic Movement. No confirmation of his release.

14. Mr. Bai. Elderly member of Little Flock house church from Ye County, Henan Province. Arrested in 1983; charged with belonging to Shouters, holding illegal religious meetings, and receiving foreign Christian literature. As of March 1987, thought to be held in Kaifeng, Henan.

15. Zhao Donghai. House church leader from Henan Province. Sentenced to 13 years' imprisonment in 1982 or 1983.

16. Wang Dabao: Arrested in Yingshang County, Anhui Province, after August 1991.

17. Yang Mingfen: Arrested in Yingshang County, Anhui Province, after August 1991.

18. Xu Hanrong: Arrested in Yingshang County, Anhui Province, after August 1991.

19. Fan Zhi: Arrested in Yingshang County, Anhui Province, after August 1991.

20. Zhang Guancui: Arrested in Funan County, Anhui Province, after August 1991.

21. Zeng Shaoying: Arrested in Funan County, Anhui Province, after August 1991.

22. Leng Zhaoqing: Arrested in Funan County, Anhui Province, after August 1991.

23. Mr. Dia: Bible distributor from Hubei Province. Arrested June 1991.

24. Li Jiayao: House church leader from Guangdong Province. Arrested September 25, 1990, and sentenced September 17, 1992, to 3 years "re-education through labor" for receiving and distributing Christian literature. His family reports that the police offered to release him early if they paid RMB 3,000 (\$900). They have refused to pay.

25. Chen Zhuman: Age: 50. Arrested July 1992 and sentenced to three years' re-education through labor for "illegally" joining a local group of the New Testament Church and communicating with overseas members. Held in Quanzhou City and is subject to repeated beatings by guards and other inmates which have resulted in severe hearing loss and uncontrollable shaking of hands.

26. Chen Xiangyu: Age 74. Arrested August 1991 and sentenced to five-year prison term. Family members allowed to visit irregularly and for very brief periods.

27. Zhang Ruiyu: Age 54. Teacher at Physical Education Academy, Xianyu County, Fujian Province and house church member. Arrested August 25, 1990 following several months of harassment and beating. Held without charges until March 1991 and tried for "holding illegal meetings, distributing seditious propaganda through cassette tapes, attacking the government and corresponding with foreigners." Sentenced to four year prison term and reportedly being held in Fuzhou women's prison.

28. Mao Wenke: Age: 30's. Not currently being detained, she continues to be threatened with trial by the police. She is active in the "underground church" movement and an activist for the pro-democracy students still in prison. Her most recent detention was in September 1992 following a meeting with exiled dissident Shen Tong.

The following house church lay leaders and elders were arrested and tried together in 1986. All were accused of: membership in an

evangelical group outside the government-sanctioned TSPM; planning to overthrow China's proletarian-dictatorship and socialist system; linkage with overseas reactionary forces; receiving and distributing foreign materials; disturbing the social order; and disturbing and breaking up normal religious activities.

29. Mr. Wang Xincal: Age: 39. Evangelical leader from Zhancun village, Fuling Brigade, Xinji Commune, Lushan County, Henan Province. Sentenced to 15 years in prison.

30. Mr. Zhang Yunpeng: Age: 68. Evangelical leader from Zhaozhuang village, Houying Brigade, Zhadian Commune, Lushan County, Henan Province. Sentenced to 14 years in prison.

31. Mr. Qin Zhenjin: Age: 57. Evangelical deacon from Xinji Commune, Lushan County, Henan Province. Length of sentence is unknown.

32. Mr. Cui Zhengsha: Age: 45. Evangelical elder from Lushan County, Henan Province. Length of sentence is unknown.

33. Mr. Xue Guiwen: Age: 38. Evangelical elder from Linzhuang Village, Xinhua Brigade, Zhangdian Commune, Lushan County, Henan Province. Length of sentence is unknown.

34. Mr. Wang Baoquan: Age: 67. Evangelical elder form Second Street, Chengguan Township, Lushan County, Henan Province. Length of sentence is unknown.

35. Mr. Geng Minxuan: Age: 66. Evangelical elder from Sunzhuang Village, Malon Commune, Lushan County, Henan Province. Length of sentence is unknown.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. STARK].

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

Mr. Speaker, I rise in strong support of the Solomon-Markey resolution to deny most-favored-nation status to China.

It is not a question of sneakers or slave labor products or supporting increased trade. It is a question of a dirty little secret that we are ignoring today, and that is that China is helping to build and distribute nuclear weapons around the world, and we all know it. There is no one in this Chamber who would dare deny that China is not supplying nuclear equipment in cooperation to build nuclear weapons to countries like Pakistan, Iraq and Iran, and North Korea.

Sooner or later, we will have to defend ourselves against that.

This does not deny them most-favored-nation status forever, but it says to them that we are going to call you. You have got an \$18 billion trade surplus with us. Quit making weapons and we will cooperate.

Vote for the Solomon-Markey resolution.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Connecticut [Mrs. JOHNSON], a member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in opposition to House Joint Resolution 208. I admire the intentions of my good friend, the gentleman from New York, but feel very

strongly that it is seriously shortsighted and in fact counterproductive to achieving the goals we all share.

The United States is the only nation that annually considers revoking MFN trade status for the PRC. In doing so, we ignore the fact that foreign investors, including United States companies, have brought free-market economics and new political ideas to some parts of the PRC economy, helping to raise the standard of living for many Chinese and to expose them to our democratic and social ideals which foster political change. Denying MFN would hit hardest those areas of the Nation that have moved most aggressively toward a market economy and are relative hotbeds of new political thinking.

China experienced double digit economic growth last year, and was one of only two nations to experience any growth. China is and will continue to be a critical market for United States manufacturing companies and it supports thousands of United States jobs. Should we pass this resolution, our failure to supply airplanes or elevators to China will not create a shortage of these or any other products, but will merely secure the place of foreign suppliers in the incredibly large and fastest growing market in the world. Inconsistent U.S. policy already has allowed European manufacturers to take business from us by arguing that U.S. companies are unreliable suppliers.

I remind my colleagues that over the past 5 years 80 percent of the growth in our GNP resulted from growth in exports. Our standard of living depends on successful exporting. Cutting ourselves off from the Chinese market will effect our standard of living and at the same time, diminish our ability to influence the very Chinese policies we oppose.

Mr. Speaker, since 1990, judicious congressional and Presidential pressure has forced the PRC to accept more change than would have otherwise occurred and supported the forces for change at a time when China faces inevitable, significant turnover in her leadership. In fact the pace of change in China is simply incredible. Not only have they changed the curriculum in their schools, not only is there education every morning on the radio about how to be an entrepreneur, but people are beginning to see their own personal futures differently and are behaving differently, economically and politically.

When Congressman ARCHER and I traveled to China a few months ago, we expressed concern directly to China's leaders that they released political prisoners, accept some of the moderate reforms proposed to open up their system, address their growing trade imbalance with us, and join the international effort to control the spread of nuclear arms. Assistant Secretary of

State for East Asian Affairs Winston Lord also visited China to express similar concerns. As a result, the PRC Government continues to take steps to release political prisoners, address human rights issues of concern to all free nations, and is more actively working with us on the issues of arms control and trade imbalances. I believe slow progress will continue, but as China's leadership changes, new leaders will have a far better understanding of the international communities expectations and the pace of change will accelerate. In the meantime, it is critical that we continue to trade with China and maintain our presence in that country so that we can continue to affect economic, social, and political change. I urge opposition to this resolution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the distinguished majority whip, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I rise today to join my colleagues, the gentlewoman from California [Ms. PELOSI], the gentleman from Illinois [Mr. ROSTENKOWSKI], the gentleman from Florida [Mr. GIBBONS], and the gentleman from Indiana [Mr. HAMILTON], among the many who worked tirelessly on China policy over the years, in asking Members of this body today to vote against the Solomon amendment.

□ 1140

For the first time in years, Congress and the White House are speaking with one voice on America's policy toward China. While the previous administration—time and time again—refused to listen to the majority in both the House and Senate, we have a President now who is driven to find common ground, to listen to Congress and the American people in boldly charting a new course with Beijing.

President Clinton's policy makes it clear to the whole world that human rights are again a centerpiece of American policy. He has sent a message to Beijing that improving its human rights record, including its prison labor practices, is a prerequisite to gaining an extension of most-favored-nation trade status next year, and I believe the President is serious about revoking MFN next July if China does not comply.

In announcing his policy, both the President and the Secretary of State made crystal clear that stemming weapons proliferation and establishing more equitable trade practices are also critical to the future of our bilateral relationship. Proliferation, human rights, and free and fair trade are the core values of our foreign policy, and I am very pleased that the administration in consultation with this body has again elevated these issues to center stage.

Mr. Speaker, I urge Members, based on this cooperative successful policy,

to vote against the Solomon resolution and for the administration's China policy.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Speaker, I rise in opposition to the Solomon resolution.

Six weeks ago President Clinton opened a new chapter in United States-China policy. With an Executive order he bridged a 4-year divide between the White House and Congress. While this body had spoken with a bipartisan voice in calling for conditioning the renewal of MFN, the previous administration was unwilling to use our huge trade deficit with China as leverage in pushing them to end the abuse of human rights.

Today, we speak with one voice. The band of leaders who crushed democracy's first breath in China should not doubt that if they do not change their ways, MFN will be revoked. The White House and Congress will not allow the renewal of MFN in 1994 unless China's dictators reverse their abominable human rights practices.

Let us use MFN as leverage as the President proposes to do. And let us make clear that we expect to see an end to the Chinese Government's tyranny in Tibet, including its policy of transferring Chinese nationals into Tibet in an effort to undermine that land's distinctive religious and cultural heritage.

Today, we have a simple message for the rulers in Beijing. The clock is ticking.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DIAZ-BALART], one of the newest Members of this House.

Mr. DIAZ-BALART. I think, Mr. Speaker, and Members, the question today should not be on trade preferences. It should be on trade sanctions. I think that this issue of most-favored-nation status for Communist China is a bipartisan disgrace. It was a disgrace in the Republican administration, and it is a disgrace today in the Democrat administration.

Because a nation has a lot of guns and a lot of bombs, and is, in effect, a terrorist state with a lot of fat-cat friends in the capitalist West, that does not make it eligible for trade preferences, Mr. Speaker. And that is the reality of Communist China, a lot of fat-cat friends, a lot of paid lobbyists in the West, a lot of paid lobbyists in this Capital, and that is why we are discussing trade preferences, maintaining a trade preference for a savage, barbaric regime that in the television cameras and in the eyes of the world massacred thousands of students just years ago, and here we are discussing, discussing, whether we are going to maintain trade preferences with that savage regime.

Mr. Speaker, there will be a free China, a democratic China, soon, and that will be the time to start discussing trade preference. At this time, it is right not only to cut off the trade preference, but to start talking seriously about trade sanctions, Mr. Speaker.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. APPELEGATE].

Mr. SOLOMON. Mr. Speaker, I also yield 1 minute to the gentleman from Ohio [Mr. APPELEGATE], a very distinguished member of the Veterans' Affairs Committee, one that we admire so much on this side of the aisle.

The SPEAKER pro tempore (Mr. MURTHA). The gentleman from Ohio [Mr. APPELEGATE] is recognized for 2 minutes.

Mr. APPELEGATE. Mr. Speaker, China has invaded our shores big time. The American people are mad as hell about it, and they expect Congress to do something about it. They have invaded big time with slave-labor-made products, child-labor-made products, 37-cents-an-hour-made products with a labor force that has no benefits whatsoever, and I say to my colleagues, all you have to do is go to any department store, walk in, and you will find all this Chinese crap laying all over the counters so you can go in and buy it, and they are sold by people making low wages, minimum wages.

Mr. Speaker, China has violated every trade agreement, every international trade agreement, and they send products worth more than \$20 billion to the United States, more than we send over there. That is a \$20 billion deficit and at 37 cents an hour, who is going to be able to buy American products over there?

We are losing to a country that has brutalized its people. It has destroyed the dignity of many people in China, stripped them of their human and civil rights, killed 1,700 people because they wanted to speak freely, and then we recognize them as an equal trading partner? Opening our doors? And then Americans are losing their good jobs?

Most-favored-nation status is a cockamamie idea that needs to be buried, and I commend the gentleman from New York [Mr. SOLOMON] for bringing this to the attention of the American people today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair admonishes Members not to use profanity in their presentations on the floor of the House.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Oklahoma [Mr. INHOFE].

Mr. INHOFE. Mr. Speaker, since I only get a minute and a half today, I did a special order last night, and I would ask unanimous consent that those remarks be inserted in the RECORD at this point.

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

There was no objection.

CHINA MFN STATUS

Mr. INHOFE. Mr. Speaker, who in this body would ever admit that he has changed his mind, because if he admits that, he is admitting he is wrong. Correct? No, very wrong. I have changed my mind, Mr. Speaker. A position can be right in the beginning and then become wrong when circumstances change. And that is exactly what has happened with this issue of MFN for China.

In years past, I argued on the floor with the same passion and enthusiasm, though admittedly not the eloquence, as the gentleman from New York [Mr. SOLOMON]. The difference between years past and this year is that I have been to China and have seen the boat that we are about to miss.

There was a time Communist Mainland China was dominated by that evil totalitarian doctrine that enslaved its citizens and forever precluded them from opportunity and freedom. I remember a book I once read, "Modernizing China" by Anthony Kubek. It compared the hope and opportunities of free Taiwan with Communist Mainland China. The culture was the same, the people were the same, the geography was the same, but Taiwan was rich and the Peoples' Republic of China was enslaved and poor.

Anthony Kubek's contrast was accurate. The per capita income in mainland China was \$300, compared to \$5,000 on Taiwan. On mainland China there was 1 refrigerator for every 250 families, while 96 percent of the Taiwan families had refrigerators. But that book was written in 1987, and China's situation has changed.

A renaissance has taken place just as profound and impressive as that in East Berlin. I remember, Mr. Speaker, when Erich Honecker, former Chairman of the German Democratic Republic was going to make his speech in East Berlin. The citizens had heard about all the wealth and opportunities that went with freedom and they were not going to be suppressed any longer. But Honecker was going to make one more last ditch effort to keep communism alive.

I went out to Andrews Air Force Base and hopped a troop transport over to Berlin to witness the event. Some thought it might be another Tiananmen Square. I remember so well going across Checkpoint Charlie. The thousands of people standing on the free side shouted chants of hope to their families and loved ones. I went to the Soviet sector and was approached by two Soviet soldiers. They tried to get us to let them in our car trunk to smuggle them to freedom in the West, knowing full well that if they were caught at the border, they would be executed. They had no way of knowing that only weeks later, the wall would come tumbling down.

Now, Mr. Speaker, the East Berlin I saw that day was supposed to be the garden spot of communism. If you were a good Communist all of your life, your reward was a week in East Berlin. Garden spot? It was the most depraved slum I have ever seen. A shoe store had eight pairs of shoes, and they were all on display in their store front window. A liquor

store had an inventory of three bottles of something, probably vodka. But whatever it was, it was oozing out of the top of the bottles.

Eighteen months later, I returned to East Berlin. I could not believe it was the same city. It was vibrant, bustling, and full of activity and commerce. It was indescribable what 18 months of freedom had done. A transformation had taken place.

Mr. Speaker, a comparable transformation has taken place in China. I traveled from Hong Kong up through the southern Province of Guangdong. Everywhere I looked, there was activity and commerce. The infrastructure had not kept up with commercial growth. It reminded me of the early part of the industrial revolution of the United States. In Guangdong Province alone, there were 7,000 factories. Not too long ago, there were virtually none. They were importing goods from most every country. I witnessed what is becoming the largest market in the world.

Upon returning to Oklahoma, I found out that my State is supplying many of their imports. The largest industry in my district is transportation, specifically aerospace and aviation. China is the largest potential market for the aerospace industry. Upon checking with the Chamber of Commerce and numerous business leaders in the community, I was shocked and pleased to learn how many firms, large and small, in my district, were exporting to China, both in the areas of aerospace and products produced for oil field related activities. Some of those companies are—Rockwell International, Flight Safety International, McDonnell Douglas Corp., Nordam, Burtel, and EG&G Chandler Engineering—just to name a few.

We can continue the growth of this great export market. All we have to do is treat them like everybody else. We shouldn't be calling our relationship most-favored-nation status. That is a misnomer. What we are discussing today is the question, should we single out China from all our other trading partners so that we can discriminate against them? We share MFN status with Spain, France, Germany, the United Kingdom, Ireland, Sweden, Finland, Denmark, Poland, Egypt, Morocco, Mali, Algeria, Saudi Arabia, and most other countries. So, if we deny MFN status to China, we are telling the fastest growing market in the world that we don't want to do business with them.

Mr. Speaker, what does this have to do with human rights, which seems to dominate the MFN issue? Very little. In fact, we shouldn't be debating both issues at the same time, or on the same day. We have everything to lose and nothing to gain. Are we so arrogant to think that we are the only market for China's booming economy? Right now, the Chinese are buying 76 percent of their airlines from McDonnell Douglas and Boeing. Do we somehow believe that they aren't going to buy from Airbus? Sure they are, and that means hundreds of jobs in Tulsa, OK, and I suspect in all the rest of the districts represented here today.

Do we not believe that China will retaliate against us if we try to tie the two issues of trade and human rights together? You bet they will. In 1992, New China Air deliberately

dropped a deal with Airbus after France agreed to sell Taiwan 50 Mirage fighters.

Am I somehow self-serving on this issue? Sure. McDonnell Douglas is estimating 175 sales to China over the next few years. A lot of them will be made in Tulsa. Boeing has signed a deal with China for 20 737's, 1 757, and 6 777's. And Boeing buys its control surfaces, skin, and many other components from Rockwell in Tulsa.

So, Mr. Speaker, you might say that I have changed my position of tying together trade and human rights. In years past, I have consistently tied the two together. I have tried to believe that we can force China into submission with MFN status, that we are so important and valuable that China can't get along without us, that we should impose our social and cultural standards upon China before we allow them to become our major export market, that we can tell a country that represents one-third of the world that we don't want to do business with them, and somehow come out ahead. I really tried to believe that.

But when I return to Oklahoma, as I do each weekend, and see the layoffs, the struggling companies and industries trying to survive, a sober reality sets in. Maybe, just maybe, we need China more than China needs us.

No one in this institution abhors human rights violations more than I do. I have fought against such violations all the way from Nicaragua to Siberia, and will continue to do so. But what about the human rights of our workers here in the United States? The right to be gainfully employed and export our products all over the world, the right to have jobs and feed our families.

I speak today to those of you who, like I, have previously sided with Mr. SOLOMON and Ms. PELOSI in this debate. There's nothing wrong with changing your position when the circumstances change—and clearly they have. Don't cut off what can become our largest trading partner, the partner that can create more U.S. jobs than any other. This is not a social issue we are deciding today, it's a jobs issue. Vote to continue our MFN status with China unconditionally, not for them but for us.

Mr. Speaker, I want to make three points.

First, I have changed my position on this issue, and that is what I explained last night. I think this is the only issue where I differ with the gentleman from New York [Mr. SOLOMON], and I was on his side last year, and the year before that, and the 4 years before that, and the reason I have changed is I have been to China, and I have seen the boat that we are about to miss. In Kwangtung Province, in the southern province, 7,000 factories where a few years ago there was none, and I looked around, and I saw how are they supplying these factories, and those are coming from Oklahoma, from New York, and from the United States, and it is a growing market. It may not be a surplus yet, but it will be. I came back, and I found in my district, in Tulsa, OK, we have major exporters to China: McDonnell Douglas, Rockwell, Nordam, Burttek, Flight Safety, Chan-

dlar Engineering, and we found that that is one of the major areas where we are exporting. Now the question comes up: Would they retaliate as a result of this and not buy where they can get the best deal, and I would suggest, yes, they would. New China Air had a contract to buy some Airbuses from France. They canceled that contract and bought from the United States because of the sale of 50 Mirages to Taiwan.

And lastly, Mr. Speaker, the third point that I would like to make is: Let us quit talking about most-favored-nation status. That is a misnomer. We have most-favored-nation status with virtually every country: Great Britain, France, Germany, Ireland, Saudi Arabia, Algeria.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Mr. Speaker, I rise in opposition to the resolution.

Mr. Speaker, I rise in opposition to House Joint Resolution 208, disapproving extension of most-favored-nation status to the People's Republic of China.

Mr. Speaker, the problem we confront as we consider the issue of MFN for China is simple to state:

How can we most effectively promote our human rights concerns in China, while at the same time supporting our other objectives?

The answer, unfortunately, is maddeningly difficult.

Americans care deeply about human rights in China, and we rightly wish to use whatever influence we might have in Beijing to promote a greater respect for basic individual freedoms.

We remain extremely concerned about the future of political prisoners in China;

We are troubled by the use of prison labor;

We abhor China's persecution of religious minorities;

And we deplore Chinese activities in Tibet which threaten the very existence of that people.

But our relationship with China is multifaceted. We also care about economic liberalization that leads to further democratization.

We care about China playing a helpful role in Cambodia;

We care about using China's influence with North Korea to halt Pyongyang's rush to nuclear weapons;

We care about Chinese missile technology transfers to Syria, Iran, and Pakistan;

And we care about China playing a constructive role on the U.N. Security Council.

Mr. Speaker, the real question is whether we should allow a policy that has laudable goals, but also a better-than-even chance of backfiring, to dictate the relationship's direction.

My own sense is that it would be very unwise to permit any one issue to

dominate such a multifaceted relationship.

This is not a recommendation for business as usual.

Human rights must remain central in our dialog with the Chinese.

China should release its political prisoners, open its prisons to international inspection, permit foreign observers to attend Chinese trials, end its population transfers in Tibet, and halt the jamming of Voice of America and other international radio broadcasts.

But unless we maintain a dialog with Beijing, none of these issues can even be addressed.

And the surest way to shut off dialog is to revoke MFN, or to make its renewal contingent upon the Chinese meeting conditions that are not attainable in the near term.

Mr. Speaker, I believe that the President's Executive order renewing MFN for China accomplishes the objective of balancing our concerns over human rights while supporting other objectives.

I urge my colleagues to support the President and vote "no" on House Joint Resolution 208.

□ 1150

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, I thank the chairman of the Committee on Ways and Means for yielding this time to me.

Mr. Speaker, I come in strong opposition to the Solomon amendment. In fact we want to open up China, if in fact we want democracy in China some years down the road, the only way we are going to get it is by maintaining trade.

I think one of the gentleman on the other side of the aisle who visited China indicated what is really the situation there. Trade is happening in southern China. We are creating an entrepreneurial class in China at this time. The way we get democracy is by getting a marketplace system in China.

Second, we need to give this President an opportunity to negotiate without interference from Congress. I believe that the Executive order that President Clinton came up with, with the help of the gentlewoman from California [Ms. PELOSI], was one in which eventually we are going to see progress with the Chinese in the area of human rights, nuclear proliferation, and these other issues.

So, Mr. Speaker, I urge strong opposition to the Solomon amendment.

Mr. SOLOMON. Mr. Speaker, earlier we heard from the chairman of the Committee on Foreign Affairs, and now we will hear from the ranking Republican of the Committee on Foreign Affairs, the distinguished gentleman from New York [Mr. GILMAN], to whom I yield 2 minutes.

Mr. GILMAN. Mr. Speaker, I commend the gentleman from New York [Mr. SOLOMON] for his leadership throughout the years on this significant humanitarian issue. I wholeheartedly and strongly support the Solomon-Markey resolution.

Sunday's New York Times included an excellent article entitled "Who Armed Iraq? Answers the West Didn't Want To Hear". I urge my colleagues to read that article because it is important that the Congress is aware that the United States came in only second to Germany in the number of commercial deals with Iraq related to nuclear technology and equipment. In a separate category, in terms of the breakdown weighted for importance to Iraq's nuclear and missile programs, the United States tied for sixth place with Great Britain.

I bring this to my colleagues' attention because I am wondering when we will learn from our mistakes. One day when an article is written on what countries helped Communist China underwrite its enormous military buildup, the United States may finally come in first place. We have coddled the dictators in Beijing for so long with open access to our markets, that their country now has enormous growth rates and the third largest economy in the world. I hope we will show the American people that we have learned our lesson that arming dictators will not civilize them and that we truly care about human rights throughout the world.

Accordingly, I urge my colleagues to support the Solomon-Markey resolution disapproving most-favored-nation status for the People's Republic of China.

Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding this time to me.

Mr. MARKEY. Mr. Speaker, I wish to ask the Chair how much time each side has remaining.

The SPEAKER pro tempore (Mr. MURTHA). The chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI], has 6 minutes remaining, the gentleman from Massachusetts [Mr. MARKEY] has 3 minutes remaining, the gentleman from New York [Mr. SOLOMON] has 3 minutes remaining, and the gentleman from Illinois [Mr. CRANE] has 3½ minutes remaining.

Mr. MARKEY. Mr. Speaker, I yield myself the remaining time that I have been allotted.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] is recognized for 3 minutes.

Mr. MARKEY. Mr. Speaker, in the 1980's this country had a policy that said that nonproliferation was none of our business. The Chinese for the last decade have had a policy which says that nuclear proliferation is good business, and they have engaged in that practice in an indiscriminate way that

has endangered region after region across this planet.

The obligation of our country and of the Members of this body is to deal with the causes of proliferation in this world, not to wait until the consequences are being suffered by region after region around this planet. We are appropriating on this floor, through our defense appropriations process, billions of dollars to defend areas of this globe against the threat of nuclear proliferation. It comes out of the pockets of the taxpayers of our country. If we are sincere about dealing with the long-term consequences of nonproliferation, we must support the resolution as propounded by the gentleman from New York and the gentleman from Massachusetts over the last 4 years, not just with the short-term diplomatic-military-economic considerations that have long dominated the policy makers in our country.

This is both a Democratic and Republican effort, by the way. This has been a nonpartisan, blind eye that has been turned to nuclear proliferation problems on our planet.

Conditional MFN support for China is like saying to a three-time convicted felon that "For the fourth time in a row we are going to give you 100 days of community service as your punishment." It does not send the proper strong message to the Chinese.

They are guilty of human rights abuses. They are guilty of using slave labor. They are guilty of engaging in unfair trade practices. They are guilty of selling nuclear and missile technology to country after country around this planet without any regard for the long-term safety of human beings.

This is the responsibility of the U.S. Congress. We do not need to wait any longer. The Chinese will not cut off trade with us. They have an \$18 billion surplus, God help us. We do not have to worry about that. They will keep selling their products in our markets. Let us not allow them, however, to engage in trade practices while we encourage them with the very best tax and tariff policies that our country has to offer. We cannot adopt a wait-until-next-year policy. This is not baseball. This is nuclear weapons proliferation across the planet.

Mr. Speaker, I ask the Members to support the Solomon resolution here on the floor today.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, I rise in opposition to House Joint Resolution 208 and support the administration's balanced approach of extending most-favored-nation status to China—while at the same time—setting important goals to be met in critical areas.

By encouraging exports and a good trading relationship with China we are

promoting American economic growth, competitiveness, and employment. At the same time, there are important issues that must be addressed in our relation with the Chinese. The President, in his Executive order, deals with these issues; human rights, arms proliferation, and trade reform. Regarding trade, it is estimated that at least \$2 billion—and possibly as much as \$4 billion—worth of Chinese-made clothing enters the United States each year with a false country of origin. These illegal transshipments have a devastating impact on our domestic textile and apparel industries and American workers are the losers. We must stop this and other abuses if we are to have a successful trading relationship.

I am encouraged by the administration's commitment to halt the flow of transshipped goods into the United States. For example, several weeks ago the Customs Department successfully convicted known transshippers from China as a part of its operation Q-Tip.

This is an on-going investigation into the illegal importation of textiles and apparel from China. I am hopeful that with this type of commitment from the administration, we can halt the flow of illegal goods into the United States and assure American workers that their jobs will not be lost due to illegal trading practices.

Mr. Speaker, I urge my colleagues to support the administration's efforts and oppose this resolution.

□ 1200

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, I would note the irony of this debate this morning, because I find myself much in agreement with what has been stated by the gentleman from Massachusetts [Mr. MARKEY] and indeed the gentleman from New York [Mr. SOLOMON]. But I rise in opposition to the Markey-Solomon proposal this morning for what I think is a very good and legitimate reason: the new President of the United States ought to be fundamentally granted the latitude to conduct this foreign policy issue.

Mr. Speaker, we have an opportunity but 1 year from now to return to this Chamber and to revoke MFN status on a timely basis. In addition to that, the person in this institution who has gained in my judgment the most credibility on this issue is the gentlewoman from California [Ms. PELOSI]. If the gentlewoman is willing to grant the new President 1 year to develop a strategy with which we can live, exercising protection for human rights in Asia, then I think the rest of us in this institution can live with it.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. Mr. Speaker, I rise in strong opposition to the Solomon resolution.

The proponents of this resolution note an array of serious problems in the United States-China relationship. Many of the concerns expressed in the resolution share unconditional MFN, like myself, have also outlined in recent years. Yes, we are concerned about human rights, and the U.N. Convention on Human Rights is the appropriate place to address this issue, not MFN. Yes, we are concerned about weapons proliferation and bilateral negotiation is the appropriate means to deal with this issue. Yes, we are concerned about our trade relationship with China. China's behavior in all of these areas, at times, has been questionable.

In my opinion, the resolution before the House today is irresponsible and counter to U.S. economic and humanitarian, and peace initiative for numerous reasons. China is a nation of 1.2 billion people, fully 22 percent of the world's population live in China. China is an economic superpower. The United States cannot ignore or place our relations with China on hold. This Nation must have a comprehensive China policy. I am convinced President Clinton recognizes this fact.

On weapons proliferation, the administration must have the flexibility to push the Chinese toward greatly restricting their arms sales. However, one would be naive to state that China is the only rogue nation peddling arms globally. China ranks a distant sixth behind other rogue nations like Britain, France, Germany, and Russia. The United States is the world leader in arms sales. The United States is not only guilty of arms proliferation, we are the most guilty. According to a story in today's Washington Post, the United States sold \$13.6 billion in arms to Third World nations in 1992. China, in comparison, sold \$100 million in arms to Third World nations in 1992.

China is demonstrating its emerging role as a superpower by constructively and responsibly helping to bring North Korea back from engaging in the production of nuclear weapons and to remain in compliance with the Non-Proliferation Treaty. China will be critical to the Clinton administration goal of achieving a comprehensive test ban treaty. The fact is China's nuclear weapons test site remains silent today and I am hopeful China will extend this silence and support a CTB.

In the Pacific basin, China is beginning to flex itself as a regional superpower both militarily and economically. China's military budget is growing, although it remains relatively small compared to this Nation's defense budget. Nonetheless, increased military expenditures in China disturb and trouble China's neighbors like Japan, Taiwan, and Hong Kong. China's role in the Pacific is important to this country and our friends and allies in the Pacific rim region.

Hong Kong is but one important example. Scheduled to return to Chinese sovereignty in 1997, Hong Kong's fate is tied to China today and in the future. Revoking MFN threatens the United States 13th largest trading partner and the 900 American companies who use Hong Kong as a gateway to Pacific commerce. Additionally, it will have a negative effect on the people of Hong Kong in preparation for transition to Chinese sovereignty. The future of Hong Kong, though little reported in this country, is of immense importance to the United States and particularly, to States like Oregon who are heavily involved in Pacific rim trade. Pacific rim trade means jobs for Oregonians and for many Americans.

Mr. Speaker, I oppose this legislation. It is irresponsible to deny MFN to China and seek to isolate China at this time. Denying MFN to China will cripple the administration's efforts to develop and implement a comprehensive China policy and take away the incentive for the Chinese to consider the United States objectives in this new, emerging relationship. The Clinton administration is committed to engaging China across the board. The President's Executive order is the most appropriate course of action. Give our new President the chance to fashion a new American broad-based foreign policy with respect to China. Let us not legislate away a tool the President may need to effectuate sound foreign policy. I urge my colleagues to defeat the resolution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. NADLER].

Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, President Clinton just got back from a very successful Asian tour, and I think, as my colleague, the gentleman from Massachusetts [Mr. NEAL], pointed out, let us give him a chance on China policy as we have done with South Korea and North Korea, and as we have done on trade issues.

Mr. Speaker, the gentlewoman from California [Ms. PELOS] has worked harder on this issue than anybody, in the days when we had no conditionality on human rights, when we did not stand for human rights principles in our dealings with China. Now we have an Executive order from the President that links China's performance with the Tibetan situation, with political prisoners, and with many other internationally acceptable standards of human rights.

This is an administration that cares about human rights. It has shown its concern on Indonesia, it has shown its concern on Haiti, it has shown its concern at meetings dealing with the Geneva Convention. Let us give the ad-

ministration a chance. Let us come back a year from now and see if some of those atrocities that the gentleman from Massachusetts [Mr. MARKEY] mentioned, which are correct, have been dealt with effectively and diplomatically.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I rise in opposition to the resolution. It is not often I disagree with the gentleman from New York [Mr. SOLOMON]. I think what we are talking about today is; do we believe in democracy or do we believe in being the biggest bully on the block to try to prove a point?

I think the whole issue here is power to the people, power to the people of the United States, and power to the Chinese people.

In Chen Xian, China, in January, I looked at what was a rice field in 1989, it now is a five-star hotel. Traveling through that community, looking at the television antennas festooned on the top of every building, I asked a Chinese official, a Government official, knowing the law says all they can watch is the Government channel, I asked him, "What are the people watching here," expecting that answer. His response was to tick off all the Hong Kong stations, the BBC, and CNN.

He said, "Of course, we are all required by law to watch the government channel, but no one does, because they are not interested in politics anymore."

I say to my colleagues that we are seeing change take place in China. It will only continue if we continue to give power to the Chinese people to evoke that change and the power to our people, some 30,000 folks in my State, whose jobs depend on trade with China.

Although Members of Congress may disagree on the policy prescriptions, no one disputes the serious human rights abuses in China, the fact that the Chinese Government pursues mercantilist trade policies and their arms sales could lead to the destabilization of many parts of the world. But we must pursue policies which are appropriate to each separate issue and offer a realistic hope of real results.

Revoking MFN to China will not greatly harm the butchers who ordered the attack at Tiananmen Square. But it will harm the Americans whose livelihood depends on trade with China, it will hurt the people of Hong Kong who are attempting to negotiate the delicate transfer to Chinese authority and it will hurt, most of all, the Chinese citizens who are experiencing economic freedom.

This new found economic freedom is driving political change within China,

change which will inevitably lead to a more open form of government and greater personal liberties. And unlike Russia, I believe that eventually China will join the family of enlightened, civilized nations without requiring an infusion of American cash in order to keep them democratic.

It's an unlikely group of people who rise today in opposition to the resolution. Frankly, I think the Clinton administration is fooling itself if it believes China will make all the changes required for MFN renewal in 1994. The President's policy solves nothing, just defers debate. But avoiding tough decisions is typical of the new administration.

So I have no doubt that we will easily defeat this resolution today. But I look forward to next year's debate on this issue, when this House is faced with the prospect of unemploying hundreds of thousands of Americans so the administration and certain Members of this House can score well meaning, but pointless debating points.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, it gives me great pleasure to stand in this well and support President Clinton. President Clinton is right on target when he calls for extension of most-favored-nation trading status. We have heard from people who have changed their minds. I happen to be one who has been committed to it from the very outset.

Three years ago I had the chance to meet with Fang Lizhi, the Chinese dissident who was imprisoned for years, when he was released and I met with him in London. He said, "Talk about human rights violations, but don't leave China, a country with a devastated economy."

Mr. Speaker, if you do not maintain most-favored-nation trading status, you clearly will do that.

I flew back Monday night with Bob Novak, the columnist who had just come back from China. He said to me that he has historically opposed most-favored-nation trading status. But having looked at the Provinces of Guangdong and Fujian, he has concluded that most-favored-nation trading status is the only way in which we can continue to engage the Chinese people.

Oppose the Solomon amendment.

Mr. CRANE. Mr. Speaker, I yield my remaining time to the distinguished gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I rise today in opposition to House Joint Resolution 208. Sixty days from now, if the Solomon resolution is approved, China's MFN status would be rescinded. The United States will confront a huge void in its policy of effecting lasting political reform in China with improved trade and economic exchange.

I have always believed that the best tool in our political reform arsenal is trade. Trade is a powerful lever for political change because it is such a powerful mechanism for economic change.

This debate on China MFN status goes to the heart of a fundamental question this Congress has grappled with for many years; how should our trade and political policies be linked? I believe our policy should be aimed at promoting evolution of a society that will be able to press for political reform on its own behalf. MFN is a political tool, a catalyst of change. The best way to advance our international political objectives is to promote greater trade. Trade can be the kind of change that evolves the political process of a nation inevitably, as it moves toward a market directed economy. It gives China an incentive to heed United States concerns—not undermine them. While China may be in our line of fire, withholding MFN will never work as a Secret Service guarding political freedom in that country.

If MFN is revoked, all our efforts to ensure that China moves forward on our broad agenda of market access, human rights, and international security matters will be lost. Economically, China represents an enormous export opportunity for our manufacturers, it is already an \$8 billion export market for us. China's economy is now the third largest in the world. Stripping away MFN would strip away the opportunity to sow the seeds of market principles in China and create jobs at home. Importers and consumers will suffer. China will turn away from America and look to other partners who are eager to engage in bilateral relationships.

The fundamental question is this: What action can we take today that will further democratic reform and promote more open markets in China? I do not believe we can afford to undercut the reformers who depend upon our trade and economic contracts as a means to bring about political advances.

Mr. Speaker, I urge my colleagues to vote "no" on House Joint Resolution 208.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. WOLF], who has led the fight against this kind of Communist enslavement for many, many years.

Mr. WOLF. Mr. Speaker, I rise in strong support of the Solomon amendment. Let me just thank the gentleman from New York [Mr. SOLOMON] and the gentleman from Massachusetts [Mr. MARKEY] for offering this. It had to be offered. If it were not offered, it would have been a disgrace and blotch on this body.

Mr. Speaker, let me also pay tribute to the gentlewoman from California [Ms. PELOSI] for the work she has done.

Clearly she has made a tremendous difference.

I thought a lot about this. I did not want it on my record that I had walked up and voted against the Solomon amendment when future generations look back and know what has happened. I was not sure what I was going to do. But when I looked at Harry Wu's photo exhibit, and Harry Wu was in the Chinese gulag for 19 years, last week in the Cannon Office Building, and saw the pictures of the priests and the bishops and the ministers, some who are still in jail in China and others who had been in prison for 37 years, I could not in all honesty ever come here and vote to give the Chinese Government any recognition when that government continues its atrocious record of religious and political persecution of its people.

Let me just say to the Members on both sides that are voting against Solomon: you now have an obligation that you will be held accountable for with your conscience to hold the Clinton administration accountable for the Chinese Government's actions. And it won't be enough to wait for the 2 weeks just before MFN for China comes up again next year and the Chinese Government frees somebody from prison and makes a big deal about how they are improving their human rights record.

My sense is Solomon may not pass. I hope it does. I urge everyone, if you want a good vote, to vote for Solomon.

But for those that do not vote for Solomon and Markey, think about this vote when we hear, as the gentleman from Massachusetts [Mr. MARKEY] said, of another Chinese arms export, and the Chinese are now sending arms into Sudan, where perhaps they are being used to kill people in southern Sudan. Do not forget that. It did not come up here. Nobody talks about it, but the gentleman from Massachusetts [Mr. MARKEY] is right.

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So those of my colleagues who vote against Solomon, they have such a burden, such an obligation to hold the Clinton administration accountable for the future actions of the Chinese Government. Because if China does not clean up its act under this resolution, they will have to withdraw MFN, they will have to take it away next year.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield the balance of my time to the gentlewoman from California [Ms. PELOSI]; and let me say that nobody has worked more diligently for the passage of this legislation and worked on behalf of this legislation more than the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the chairman for yielding time to me and for making this day possible, a day when we can come to the floor and join

the President of the United States and send a unified message to the Chinese regime that the clock, as the gentlewoman from Washington [Mrs. UNSOELD] has said, is ticking; that in the next year, by next July, China will not have most-favored-nation status unless it meets the conditions of the President's Executive order.

I would like to commend my colleague, the gentleman from New York [Mr. SOLOMON] for his relentless and great leadership, the gentleman from Massachusetts [Mr. MARKEY] as well, in bringing their resolution to the floor.

Frankly, the force of their arguments give greater leverage to our Executive order and the obligation that the gentleman from Virginia [Mr. WOLF] referred to that we have by next year to either extend MFN, if the conditions are met, but definitely not extend MFN, if they are not.

I agree with the indictment of China made by the gentleman from Massachusetts [Mr. MARKEY], the gentleman from New York [Mr. SOLOMON], the gentleman from Virginia [Mr. WOLF], the gentleman from New York [Mr. GILMAN], and others about the conditions in China relating to human rights, weapons proliferation, and trade violations. I do not agree with my colleagues, even though we will be voting together today, that MFN should not be used as a tool.

I believe that the President has put forth a policy that is reasonable and achievable, conditional MFN. This is what he promised in the campaign, as the New York Times stated. "On China, Mr. Clinton kept the faith."

So if I agree with the indictments, and I disagree that MFN should not be a tool, as some of our colleagues have espoused today, why then do I oppose the Solomon amendment? I do because of the strength and the power of the Executive order.

I believe it is the appropriate tool to use. If we trivialize it, so will the Chinese Government.

I think it is very important for us to get a big vote today, as sympathetic as I am to the gentleman from New York [Mr. SOLOMON] and the gentleman from Massachusetts [Mr. MARKEY], a big vote behind the President of the United States so that a very clear message is sent to the Chinese Government that unless these conditions are met, no kidding, next year, most-favored-nation status is revoked.

The day the President signed the Executive order was a proud day for us. The gentleman from Illinois [Mr. ROSTENKOWSKI], the gentleman from Missouri [Mr. GEPHARDT], the gentleman from Washington [Mr. FOLEY], and Mr. MITCHELL on the Senate side, helped make it possible. It was great to see the Chinese dissidents, Chai Ling, Shen Tong, Li Lu, the commanders of the Tiananmen Square dissidents surrounding the President of the United

States as he signed the order; Lodi Gyari, representative of His Holiness, the Dalai Lama was there, supporting the Executive order, because this year the language on Tibet is stronger than ever before.

I support the Executive order because it contains the provisions of the legislation which we have passed in this House year in and year out, that hundreds of Democrats and Republicans alike have supported year in and year out.

If then, that is what we want, and we requested this of the President and he signed it, I believe we should support it.

I think we have an obligation, as the gentleman from Virginia [Mr. WOLF] pointed out, and I want to reemphasize that, MFN for China will be revoked next year if China does not comply with the provisions of the Executive order.

The Executive order lays out the benchmarks, and China has 1 year to meet them. If they do not meet them, the course of action is clear.

Today, I urge my colleagues to vote "no" on the Solomon-Markey amendment and urge my colleagues to support President Clinton.

Mr. SOLOMON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, a previous speaker on our side of the aisle, the gentleman from California [Mr. DREIER], took the well and proudly bragged about supporting MFN for China all these years. I would just say to the gentleman that it was he and others, Republicans included, who may well have contributed, unintentionally, to the continued enslavement of the people in the People's Republic of China for the past 14 years.

We denied MFN status to the Soviet empire, and the Soviet empire is gone. There is no more communism in Central and Eastern Europe, and we, as Americans, can be so proud because we helped bring it down.

At the same time, we have given MFN status to the People's Republic of China, and what has happened? We have communism maintaining its grip in areas of East Asia, in contrast to what happened in Eastern and Central Europe.

If we had been smart and had never given MFN to China 14 years ago, those 1 billion people could well be free today. North Korea, Cambodia, and Vietnam could be free as well.

When are we going to stop propping up communism in East Asia? That is why everybody ought to vote for the Solomon-Markey resolution; Members will see the Chinese come to the bargaining table tomorrow, because they want to have that \$18 billion trade surplus with the United States of America.

Vote "yes" on Solomon-Markey.

Mr. DERRICK. Mr. Speaker, the arguments for denying most-favored-nation trade status to

the regime in China range from their human rights abuses of their own citizens to their blatant proliferation of nuclear weapons and ballistic missile technology to countries like Iran and North Korea.

In South Carolina, however, we are more concerned about the shadow trade practices of the Chinese which have resulted in the United States running a \$20 billion trade deficit with that country. We are being denied access to one of the world's largest markets, and in return we continually open up our market to them. We are allowing them to export their goods made by prison labor into this country at the same tariff levels we offer our other trade partners who truly do open their markets to our goods and follow internationally accepted trade practices.

China continues to refuse to enforce laws against the piracy of intellectual property and patents, continues its use of prison labor, and continues to evade United States restrictions on textile and apparel goods by transshipping pieces through Hong Kong. All this while they are considered one of our most favored trading partners.

This policy has resulted in the loss of thousands of textile and apparel jobs, and tens of thousands of other manufacturing jobs, across the country. China's record of human rights and as a proliferator nation should give one pause before granting them special status. Their continued disregard for our trade laws and agreements made in good faith should convince anyone that this policy can not persist.

I will continue to fight for the rights of the textile and apparel workers in my State and across the country that continue to get beaten up by China's indifference to their own people as well as their indifference to our trade regulations. I must oppose the granting of most-favored-nation trade status for China.

Mr. SPRATT. Mr. Speaker, I rise to support House Joint Resolution 208 and oppose an extension of most-favored-nation [MFN] trading status for China. Other Members during this debate have raised important concerns regarding China's violation of human rights and its sale of military equipment to nations like North Korea and Iran. Both China's human rights policies and its contributions to weapons proliferation are reasons to deny China an extension of MFN. But as the chairman of the textile caucus, I would like to provide an additional reason why I oppose an extension of MFN.

China habitually violates international trade agreements limiting the import of Chinese textiles and apparel into the United States. China is not our only trading partner transshipping large volumes of illegal textiles. A number of other nations, particularly Asian countries, are also reported implicated. It is time for the United States Government to send the Chinese as well as these other nations a clear message that we will no longer tolerate the transshipment of billions of dollars in illegal textiles and apparel. The United States Customs Service has conservatively estimated that China is illegally transshipping as much as \$2 billion worth of textiles and apparel to the United States annually (the actual figure could be as high as \$5 billion). A few weeks ago, officials connected to a Chinese trading company

in New York were convicted of textile customs fraud. Other cases are pending. At the same time that Chinese fabric enters our market, United States manufacturers find the Chinese market closed to American products. China now enjoys a \$18 billion overall trade surplus with the United States.

Whether or not Congress decides today to deny China's MFN status, I call upon the State Department and United States Trade Representatives [USTR] to vigorously pursue the issue of textile transshipment with the Chinese Government and other appropriate governments. I also urge our trade negotiators to include stiff enforcement provisions in the new MFA bilateral treaty we are negotiating with China and other textile exporting nations. For example, I believe that all of our MFA bilateral treaties, including China's should permit the United States to impose triple charges against a violating country's quota. China must understand that we are serious when we say that we expect them to obey the trade agreements which they sign. America has already lost thousands of jobs and billions of dollars in revenue thanks to illegal transshipment. But until we can show nations like China that we are serious, illegal textiles will continue to arrive.

Mr. LEACH. Mr. Speaker, despite overheated campaign rhetoric by candidate Clinton suggesting a signal shift in American foreign policy toward China, the new administration has in fact wisely adopted 98 percent of former President Bush's approach to Sino-American relations.

As President Clinton now realizes, few developments could cause greater instability in Asia than the instigation of a cold trade war with China. All Members understand that our relationship is burdened by serious U.S. concerns on nuclear and ballistic missile proliferation, trade, labor and political rights. Yet any congressional action such as contemplated in this resolution that removes the basis for normal nondiscriminatory trade profoundly jeopardizes economic and political reform within China, as well as peace, stability, and prosperity in the region.

Revocation of MFN would reverse America's historic open door policy to China in favor of a counterproductive bolted door approach, unilaterally ceding our progressive influence and market share to others.

Revocation of MFN would have the perverse effect of negatively impacting those elements in China we most want to support—the free market entrepreneurs in South China and now Shanghai who are responsible for so much progressive economic change.

Revocation of MFN would in fact undercut the multiplying stepchildren of Adam Smith and allow a tightening of the reins of economic and political power by the discredited disciples of Marx, Lenin, and Mao.

Revocation of MFN would, from an American agricultural perspective, be the equivalent of a unilateral embargo on soybean and other grain sales, hurting the American farmer and Chinese child, not Communist apparatchik.

Revocation of MFN would undercut our friends in Hong Kong and Taiwan and potentially impel political change of a negative nature outside as well as inside China.

And in a broader foreign policy context, revocation of MFN would undercut the new-found

authority and effectiveness of the U.N. Security Council and end any hope of Chinese cooperation on issues as wide ranging as Cambodia nation-building, Serbia peacekeeping, as well as arms proliferation in the Middle East and nuclear proliferation on the Korean Peninsula.

Perhaps most significantly, revocation of MFN would dangerously signal to American friends and allies throughout East Asia that the United States is a less predictable and less reliable partner for peace and stability throughout the world.

Let's not play Russian roulette with American national interests and recognize that while the human rights policy of the Chinese Government demands congressional criticism, efforts to advance a democratic and human rights agenda for the Chinese people demands American economic engagement.

Let's help precipitate a peaceful evolution to democracy and international cooperation and not box China into a return to a new era of cultural revolution at home and antagonistic foreign policies abroad. I urge the defeat of the resolution.

Mr. MCCURDY. Mr. Speaker, I rise in opposition to House Joint Resolution 208, the measure to deny most-favored-nation trade status for China.

I rise as someone who has long argued that the United States must promote democracy throughout the world. I have fought to defend programs that underwrite democratic experiments in dozens of other countries. I have championed the National Endowment for Democracy, aid to democratic opposition groups, economic and military assistance to democracies, and direct U.S. security commitments to a few select friends and allies.

I strongly agree with the substance of this legislation's concerns. China's human rights practices are an offense against humanity. In years past, I voted to condition China's MFN status on human rights improvements.

But democracy is not a simple goal, especially in a nation as vast and complex as China. If history tells us anything about China, it is that the country has an enormous capacity for isolation. Imposing sanctions and making demands of China's leaders can only be counterproductive.

This legislation will not free one political prisoner. It will not close one prison labor camp. It will not stop a single Chinese arms sale.

Meanwhile, denying MFN would destroy the exciting experiment with free-market economics now underway in China. Primarily in China's southern provinces but increasingly throughout the country, the influence of the Communist Party is one the wane. Capitalist factory managers, economic planners, and entrepreneurs are winning more and more autonomy every day.

Foreign investment, from Hong Kong, Taiwan, Japan, and increasingly the United States, is transforming the economic face of China. Gradually, the outside world is gaining influence.

And the lesson of Eastern Europe is clear: such economic reforms lead inexorably to political reform. The process may move more slowly in China, but it is underway. The light of democracy has begun to flicker within China's economic liberalization.

This legislation would extinguish that light, and with it the hopes of millions of Chinese for a more prosperous, more democratic future.

From a strategic perspective, few nations will be more important than China in coming years. Indeed, within a decade it may be the only country with a combination of political, military, and economic power that rivals the United States. The safety and stability of East Asia, global arms control and nonproliferation goals, and our own national security all demand that we encourage China down the path of moderation.

This legislation would undermine that goal. It would isolate China from the world community and fracture Sino-American relations. With nothing to lose, Chinese leaders could easily veer toward a foreign policy of extremism and violence.

The President has laid out a good, workable strategy toward China. With an administration in office that is truly focused on these issues, we should give the executive branch an opportunity to make progress on the goals we all share.

I urge my colleagues to reject House Joint Resolution 208.

Mr. DICKS. Mr. Speaker, I rise in strong opposition to this shortsighted and counterproductive resolution. The President has undertaken what I believe is a prudent and balanced approach to our relations with the People's Republic of China. He has clearly indicated his intention to pursue our very legitimate concerns in areas such as human rights, arms proliferation and unfair trade. At the same time he has not chosen at the outset of his Presidency to abandon constructive dialogue with the most populous nation in the world.

As Congressman LEE HAMILTON, chairman of the House Foreign Affairs Committee noted in his April 1 address, "A New U.S. Policy on China," we have a wide range of tools that can be utilized to positively influence Chinese behavior. Chairman HAMILTON's suggestions include:

Withholding approval of important high-technology items in order to secure Chinese compliance with proliferation commitments;

Initiating section 301 negotiations on issues of intellectual property and market access, raising the prospect of selective punitive tariffs to secure Chinese cooperation;

Subjecting China's actions to international scrutiny, and its misdeeds to international opprobrium;

Using our influence to either support or impede China joint GATT which is a high priority for them;

Forcefully presenting our concerns on human rights abuses in forums like the U.N. Commission on Human Rights, where the prospects of securing international support for condemning basic civil liberties will be greater than unilateral declarations.

Fundamentally, given the dynamic nature of international relations, we believe that it is far preferable to provide the administration with the flexibility it needs to pursue our interests without the imposition or rigid legislated conditions.

In particular, denial of MFN status is at best a poor substitute to active engagement. Denial could well prove a counterproductive tool to

achieving our ends, that could also have very negative consequences for both nations and could seriously set back efforts to develop cooperative policies as well enter the post-cold-war era.

Currently, there is a sizable trade imbalance between our nations. To some extent that reflects unfair trade practices that we have to resolve, just as is the case with Japan and other nations. But to a very large extent this is more a reflection of shifting trends among East Asian exporters since our overall trade picture with the region has not dramatically changed.

But importantly, we are on the threshold to fully tapping the potentially immense Chinese market for American exports. Denial of MFN, and inevitable Chinese retaliation for this action, will jeopardize what is already a very sizable contribution to the American economy.

Economists estimate that the \$8 billion in goods and services we exported to China in 1992 translate into 150,000 jobs. The impact on the financially strapped aerospace industry is especially significant. In 1992, China was the only commercial aircraft customer for McDonnell-Douglas. For Boeing, China represented 17 percent of its total sales, nearly matching all its domestic sales. For the future, industry analysts put the China aerospace market at \$40 billion. Because of this high leverage, and high visibility, the Chinese have made no secret that aerospace industry will be the first to bear the burden of retaliation. But there are also sizable potential markets for a wide range of American products that will never be realized if we slip into a full fledged trade war.

Active pursuit of a balanced United States-China policy through the full range of tools available to our Nation will reduce the pressure to pursue inflexible conditions on the most drastic tool in our arsenal, extension of most-favored-nation status. As a result we will promote cooperation on issues ranging from nuclear proliferation in North Korea to a smooth transition for Hong Kong's status, rather than confrontation. Since MFN status is reviewed on an annual basis, both the Congress and administration can review this issue anew if this new approach does not demonstrate progress.

The Ways and Means Committee overwhelmingly affirmed this judgment in its 35-to-2 vote to report this resolution adversely. I urge my colleagues to follow their lead and oppose the resolution.

Mr. NADLER. Mr. Speaker, I rise in support of this resolution.

Rarely has this House been faced with such clear moral issue. Should we allow goods, produced by slave labor, into this country to compete against goods produced by our constituents? Should the trade policies of the United States subsidize the brutal and dictatorial regime in Beijing?

The evidence is clear and undisputed. No one disputes that the continuing use of prison labor, the continued tyranny, the reckless and irresponsible proliferation of nuclear arms, and the cruel and illegal occupation of Tibet.

The only question seems to be, whether revoking most-favored-nation status now is the best way to bring about improvements in human rights in China?

Clearly, much has changed in the last year. We have an administration that is willing to

make a genuine commitment to human rights, and a Government that is speaking with one voice to the tyrants in Beijing. For that reason, many of our colleagues who care deeply about the situation in China and Tibet, and who have fought courageously for human rights, have concluded that it would be better to continue China's MFN status while conditioning continuation of that status on the achievement by the Chinese Government of clearly defined goals within a specified period of time.

If I believed that the Chinese Government would respond positively to such tactics, I would be opposing this resolution too. But too much has happened, and too much is still happening to make me believe that an extension of MFN will have any effect.

Does anyone in this Chamber really believe that the Chinese Government does not know what the rest of the world expects of it? Can any of us believe that another extension and another threat will be taken seriously?

Even now, as we debate, the oppression continues. Arrests are being made. The Tibetan people are still being overwhelmed by massive population transfers of Chinese citizens into their homeland. Weapons of mass destruction are being shipped to Pakistan, Syria, and Iran to be pointed at our allies and our citizens abroad. The United States is running a \$20 billion trade deficit with China because prison labor undercuts the wages of free people.

What will it take? How many more will have to die? How many weapons of mass destruction will have to be aimed at our allies? How many more of our constituents will have to lose their jobs before this Congress understands that the Chinese Government is not getting the message the old way?

It's time to send them a message that will be heard. I urge the adoption of the resolution.

It's time to send them a message that will be heard. I urge the adoption of the resolution.

Mr. FRANKS of Connecticut. Mr. Speaker, I rise today in support of House Joint Resolution 208, which disapproves the extension of MFN [most-favored-nation] status to the People's Republic of China. I have strong reservations about granting MFN status to any nation that exhibits the current practices of the Chinese Government.

The People's Republic of China has an abominable record on nuclear proliferation, human rights, and trade practices. I believe we must see a dramatic improvement in these areas before China is granted MFN status.

Despite opposition from the West, China has supplied countries like Iran and Syria with ballistic missiles and other critical defense technologies. While China has agreed to adhere to the Nuclear Non-Proliferation Treaty, they must also demonstrate that they will not provide hostile nations of the world with deadly missile, nuclear, and chemical technologies.

China has consistently disregarded internationally accepted standards of human rights since the Tiananmen Square massacre in June 1989. The hardline Communist government continues to imprison democracy activists and religious leaders. Additionally, recent evidence indicates that products manufactured in Chinese prison-labor camps are being exported to the United States.

In the past, open trade with China has not been successful in encouraging the Chinese hardliners to move away from both their heinous mistreatment of Chinese people and their unwise foreign policy. China's record of coerced abortions and forced sterilization is also of great concern to me. I believe significant progress must be made in these areas before we can welcome China into the family of free-trading nations by granting MFN status. I hope that these problems can be worked out so that in the future I can support MFN for China.

In closing, I urge my colleagues to send a message to the Chinese Government by supporting the resolution before us today.

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the order of the House of Thursday, July 15, 1993 and sections 152 and 153 of the Trade Act of 1974, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

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

The SPEAKER pro tempore. The question is on passage of the joint resolution.

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

Mr. SOLOMON. 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 105, nays 318, not voting 11, as follows:

(Roll No. 347)

YEAS—105

Andrews (ME)	Glichrest	Nadler
Applegate	Gilman	Neal (NC)
Baker (CA)	Goodling	Pallone
Ballenger	Greenwood	Porter
Barlow	Gunderson	Quillen
Barton	Gutierrez	Rahall
Bentley	Hall (OH)	Ravenel
Bilbray	Hefley	Rogers
Billey	Hefner	Rohrabacher
Boehert	Hochbrueckner	Ros-Lehtinen
Browder	Holden	Royce
Brown (OH)	Horn	Sanders
Bunning	Huffington	Saxton
Burton	Hunter	Schenk
Byrne	Hyde	Sensenbrenner
Calvert	Inglis	Skeen
Coble	Kaptur	Smith (NJ)
Collins (GA)	Kasich	Smith (TX)
Conyers	Kingston	Snowe
Cooper	Klink	Solomon
Cox	Klug	Spence
Cramer	Kyl	Spratt
Deal	Lantos	Stark
DeFazio	Lewis (FL)	Stearns
Derrick	Linder	Tauzin
Diaz-Balart	Lloyd	Taylor (MS)
Doolittle	Long	Taylor (NC)
Duncan	Markey	Trafficant
Evans	McCollum	Upton
Everett	McInnis	Valentine
Fish	McMillan	Walker
Frank (MA)	Molinari	
Franks (CT)	Moran	
Gejdenson	Morella	

Walsh	Weldon	Wolf
Washington	Wheat	Young (FL)
NAYS—318		
Ackerman	Ford (MI)	McCurdy
Allard	Ford (TN)	McDade
Andrews (NJ)	Fowler	McDermott
Andrews (TX)	Franks (NJ)	McHale
Archer	Furse	McHugh
Armey	Galleghy	McKeon
Bacchus (FL)	Gallo	McKinney
Bacchus (AL)	Gekas	McNulty
Baesler	Gephardt	Meehan
Baker (LA)	Geren	Meek
Barca	Gibbons	Menendez
Barcia	Gillmor	Meyers
Barrett (NE)	Gingrich	Mfume
Barrett (WI)	Glickman	Mica
Bartlett	Gonzalez	Michel
Bateman	Goodlatte	Miller (CA)
Becerra	Gordon	Miller (FL)
Bellenson	Goss	Mineta
Bereuter	Grams	Minge
Berman	Grandy	Mink
Bevill	Green	Mollohan
Bilirakis	Hall (TX)	Montgomery
Bishop	Hamburg	Moorhead
Blackwell	Hamilton	Murphy
Blute	Hansen	Murtha
Boehner	Harman	Myers
Bonilla	Hastert	Natcher
Bonior	Hastings	Neal (MA)
Borski	Hayes	Nussle
Boucher	Heger	Oberstar
Brewster	Hilliard	Obey
Brooks	Hinchee	Olver
Brown (CA)	Hoagland	Ortiz
Brown (FL)	Hobson	Orton
Bryant	Hoekstra	Owens
Buyer	Hoke	Oxley
Callahan	Houghton	Parker
Camp	Hughes	Pastor
Canady	Hutchinson	Paxon
Cantwell	Hutto	Payne (NJ)
Cardin	Inhofe	Payne (VA)
Carr	Inslee	Pelosi
Castle	Istook	Penny
Chapman	Jacobs	Peterson (FL)
Clay	Jefferson	Peterson (MN)
Clayton	Johnson (CT)	Petri
Clement	Johnson (GA)	Pickett
Clinger	Johnson (SD)	Pickle
Clyburn	Johnson, E.B.	Pombo
Coleman	Johnson, Sam	Pomeroy
Collins (IL)	Johnston	Portman
Collins (MI)	Kanjorski	Poshard
Combest	Kennedy	Price (NC)
Condit	Kennelly	Pryce (OH)
Coppersmith	Kildee	Quinn
Costello	Kim	Ramstad
Coyne	King	Rangel
Crane	Klecicka	Reed
Crapo	Klein	Regula
Cunningham	Knollenberg	Reynolds
Danner	Kolbe	Richardson
Darden	Kopetski	Roberts
DeLauro	Kreidler	Roemer
DeLay	Lambert	Rose
Dellums	Lancaster	Rostenkowski
Deutsch	LaRocco	Roth
Dickey	Laughlin	Roukema
Dicks	Lazio	Rowland
Dingell	Leach	Roybal-Allard
Dixon	Lehman	Rush
Dooley	Levin	Sabo
Dreier	Levy	Sangmeister
Dunn	Lewis (CA)	Santorum
Durbin	Lewis (GA)	Sarpalius
Edwards (CA)	Lightfoot	Sawyer
Edwards (TX)	Lipinski	Schaefer
Emerson	Livingston	Schiff
Engel	Lowey	Schroeder
English (AZ)	Machtley	Shumer
English (OK)	Maloney	Scott
Eshoo	Mann	Serrano
Ewing	Manton	Sharp
Farr	Manzullo	Shaw
Fawell	Margolies-	Shays
Fazio	Mezvinsky	Shepherd
Fields (LA)	Martinez	Shuster
Fields (TX)	Matsui	Siskis
Filner	Mazzoli	Skaggs
Fingerhut	McCandless	Skelton
Flake	McCloskey	Slattery
Foglietta	McCreary	Slaughter

Smith (IA)	Thomas (CA)	Waters
Smith (MI)	Thomas (WY)	Watt
Smith (OR)	Thompson	Waxman
Stenholm	Thornton	Whitten
Stokes	Thurman	Williams
Strickland	Torkildsen	Wilson
Studds	Torres	Wise
Stump	Torricelli	Woolsey
Stupak	Towns	Wyden
Sundquist	Tucker	Wynn
Sweet	Unsoeld	Yates
Swift	Velazquez	Young (AK)
Synar	Vento	Zeliff
Talent	Visclosky	Zimmer
Tanner	Volkmer	
Tejeda	Vucanovich	

NOT VOTING—11

Abercrombie	Hancock	Moakley
de la Garza	Henry	Packard
Dornan	Hoyer	Ridge
Frost	LaFalce	

□ 1237

The Clerk announced the following pair:

On this vote:

Mr. Dornan for, with Mr. Hoyer against.

Mr. MCKEON and Mr. THOMAS of Wyoming changed their vote from "yea" to "nay."

Messrs. WELDON, COLLINS of Georgia, RAHALL, and Ms. KAPTUR changed their vote from "nay" to "yea."

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 2010, NATIONAL SERVICE TRUST ACT OF 1993

The SPEAKER pro tempore (Mr. MURTHA). The unfinished business is the question de novo on agreeing to House Resolution 217.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

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

RECORDED VOTE

Mr. VOLKMER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 261, noes 164, not voting 9, as follows:

[Roll No. 348]

AYES—261

Ackerman	Blute	Clement
Andrews (ME)	Bonior	Clyburn
Andrews (NJ)	Borski	Coleman
Andrews (TX)	Boucher	Collins (IL)
Applegate	Brewster	Collins (MI)
Bacchus (FL)	Brooks	Condit
Baesler	Browder	Conyers
Barca	Brown (CA)	Cooper
Barcia	Brown (FL)	Coppersmith
Barlow	Brown (OH)	Costello
Barrett (WI)	Bryant	Coyne
Becerra	Byrne	Cramer
Bellenson	Cantwell	Danner
Berman	Cardin	Darden
Bevill	Carr	de la Garza
Bilbray	Chapman	Deal
Bishop	Clay	DeFazio
Blackwell	Clayton	DeLauro

Dellums	Lambert	Rangel
Derrick	Lancaster	Reed
Deutsch	Lantos	Reynolds
Dicks	LaRocco	Richardson
Dingell	Lipinski	Roemer
Dixon	Laughlin	Rose
Dooley	Lazio	Rostenkowski
Durbin	Lehman	Rowland
Edwards (CA)	Levin	Roybal-Allard
Edwards (TX)	Lewis (GA)	Rush
Engel	Lipinski	Sabo
English (AZ)	Lloyd	Sanders
English (OK)	Long	Sangmeister
Eshoo	Lowey	Sarpalius
Evans	Machtley	Sawyer
Farr	Maloney	Schenk
Fazio	Mann	Schroeder
Fields (LA)	Manton	Schumer
Filner	Margolies-	Scott
Fingerhut	Mezvinsky	Serrano
Fish	Markey	Sharp
Flake	Martinez	Shays
Foglietta	Matsui	Shepherd
Ford (MI)	Mazzoli	Sisisky
Ford (TN)	McCloskey	Skaggs
Frank (MA)	McCurdy	Skelton
Furse	McDermott	Slattery
Gejdenson	McHale	Slaughter
Gephardt	McKinney	Smith (IA)
Geren	McNulty	Spratt
Gibbons	Meek	Stark
Gilman	Menendez	Stenholm
Glickman	Meyers	Stokes
Gonzalez	Mfume	Strickland
Gordon	Miller (CA)	Studds
Green	Mineta	Stupak
Gunderson	Minge	Swett
Gutierrez	Mink	Swift
Hall (OH)	Mollohan	Synar
Hamburg	Montgomery	Tanner
Hamilton	Moran	Tauzin
Harman	Morella	Tejeda
Hastings	Murphy	Thompson
Hayes	Murtha	Thornton
Hefner	Nadler	Thurman
Hilliard	Natcher	Torkildsen
Hinchee	Neal (MA)	Torres
Hoagland	Neal (NC)	Torricelli
Hochbrueckner	Oberstar	Towns
Holden	Obey	Trafficant
Hoyer	Olver	Tucker
Hughes	Ortiz	Unsoeld
Hutto	Orton	Valentine
Inslee	Owens	Velazquez
Jacobs	Pallone	Vento
Jefferson	Parker	Visclosky
Johnson (GA)	Pastor	Volkmer
Johnson (SD)	Payne (NJ)	Waters
Johnson, E.B.	Payne (VA)	Watt
Johnston	Pelosi	Waxman
Kanjorski	Penny	Wheat
Kennedy	Peterson (FL)	Whitten
Kennelly	Peterson (MN)	Williams
Kildee	Pickett	Wise
Klecicka	Pickle	Woolsey
Klein	Pomeroy	Wyden
Klink	Porter	Wynn
Kopetski	Poshard	Yates
Kreidler	Price (NC)	
LaFalce	Rahall	

NOES—164

Allard	Franks (CT)
Archer	Franks (NJ)
Armey	Galleghy
Bacchus (AL)	Gallo
Baker (CA)	Gekas
Baker (LA)	Gilchrest
Ballenger	Gillmor
Barrett (NE)	Gingrich
Bartlett	Goodlatte
Barton	Goodling
Bateman	Goss
Bentley	Grams
Bereuter	Grandy
Bilirakis	Greenwood
Billie	Hall (TX)
Boehlert	Hancock
Boehner	Hansen
Bonilla	Hastert
Bunning	Hefley
Burton	Heger
Buyer	Hobson
Callahan	Hoekstra
Calvert	Hoke

Horn	McHugh	Schaefer
Houghton	McInnis	Schiff
Huffington	McKeon	Sensenbrenner
Hunter	McMillan	Shaw
Hutchinson	Mica	Shuster
Hyde	Michel	Skeen
Inglis	Miller (FL)	Smith (MI)
Inhofe	Molinaro	Smith (NJ)
Istook	Moorhead	Smith (OR)
Johnson (CT)	Myers	Smith (TX)
Johnson, Sam	Nussle	Snowe
Kaptur	Oxley	Solomon
Kasich	Paxon	Spence
Kim	Petri	Stearns
King	Pombo	Stump
Kingston	Portman	Sundquist
Klug	Pryce (OH)	Talent
Knollenberg	Quillen	Taylor (MS)
Kolbe	Quinn	Taylor (NC)
Kyl	Ramstad	Thomas (CA)
Leach	Ravenel	Thomas (WY)
Levy	Regula	Upton
Lewis (CA)	Ridge	Vucanovich
Lewis (FL)	Roberts	Walker
Lightfoot	Rogers	Walsh
Linder	Rohrabacher	Weldon
Livingston	Ros-Lehtinen	Wolf
Manzullo	Roth	Young (AK)
McCandless	Roukema	Young (FL)
McCollum	Royce	Zeliff
McCrery	Santorom	Zimmer
McDade	Saxton	

NOT VOTING—9

Abercrombie	Frost	Packard
DeLay	Henry	Washington
Dornan	Moakley	Wilson

□ 1256

The Clerk announced the following pairs:

On this vote:

Mr. Moakley for, with Mr. DeLay against.
Mr. Abercrombie for, with Mr. Dornan 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. SOLOMON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution, House Joint Resolution 208, previously debated.

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

There was no objection.

NATIONAL SERVICE TRUST ACT OF 1993

The SPEAKER pro tempore. Pursuant to House Resolution 217 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2010.

□ 1208

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 further consideration of the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish

a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes with Mr. FIELDS of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 13, 1993, all time for general debate had expired.

Pursuant to House Resolution 217, no further general debate is in order.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2010

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Service Trust Act of 1993".

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purpose.

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

Sec. 101. Federal investment in support of national service.

Sec. 102. National Service Trust and provision of national service educational awards.

Sec. 103. School-based and community-based service-learning programs.

Sec. 104. Quality and innovation activities.

Sec. 105. Public Lands Corps.

Sec. 106. Urban Youth Corps.

Subtitle B—Related Provisions

Sec. 111. Definitions.

Sec. 112. Authority to make State grants.

Sec. 113. Family and medical leave.

Sec. 114. Reports.

Sec. 115. Nondiscrimination.

Sec. 116. Notice, hearing, and grievance procedures.

Sec. 117. Nondisplacement.

Sec. 118. Evaluation.

Sec. 119. Engagement of participants.

Sec. 120. Contingent extension.

Sec. 121. Repeals.

TITLE II—ORGANIZATION

Sec. 201. State Commissions on National Service.

Sec. 202. Interim authorities of the Corporation for National Service and ACTION Agency.

Sec. 203. Final authorities of the Corporation for National Service.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

Sec. 301. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1973

Sec. 311. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

Sec. 321. Purpose of the VISTA program.

Sec. 321A. Assistant Director for VISTA Program.

Sec. 322. Selection and assignment of VISTA volunteers.

Sec. 323. Terms and periods of service.

Sec. 324. Support for VISTA volunteers.

Sec. 325. Participation of younger and older persons.

Sec. 326. Literacy activities.

Sec. 327. Applications for assistance.

Sec. 328. Repeal of authority for student community service programs.

Sec. 329. University year for VISTA.

Sec. 330. Authority to establish and operate special volunteer and demonstration programs.

Sec. 331. Technical and financial assistance.

Sec. 332. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

Sec. 341. National Senior Volunteer Corps.

Sec. 342. The Retired and Senior Volunteer Program.

Sec. 343. Operation of the Retired and Senior Volunteer Program.

Sec. 344. Services under the Foster Grandparent Program.

Sec. 345. Stipends for low-income volunteers.

Sec. 346. Conditions of grants and contracts.

Sec. 347. Agreements with other Federal agencies.

Sec. 348. Minority group participation.

Sec. 349. Programs of national significance.

Sec. 350. Demonstration programs.

CHAPTER 3—ADMINISTRATION

Sec. 361. Purpose of agency.

Sec. 362. Authority of the Director.

Sec. 362A. Political activities.

Sec. 363. Compensation for volunteers.

Sec. 364. Repeal of report.

Sec. 365. Application of Federal law.

Sec. 366. Nondiscrimination provisions.

Sec. 367. Elimination of separate requirements for setting regulations.

Sec. 368. Clarification of role of Inspector General.

Sec. 369. Copyright protection.

Sec. 370. Deposit requirement credit for service as a volunteer.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

Sec. 381. Authorization of appropriations for title I.

Sec. 382. Authorization of appropriations for title II.

Sec. 383. Authorization of appropriations for title IV.

Sec. 384. Conforming amendments; compensation for VISTA FECA claimants.

Sec. 385. Repeal of authority.

CHAPTER 5—GENERAL PROVISIONS

Sec. 391. Technical and conforming amendments.

Sec. 392. Effective date.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

Sec. 401. Definition of Director.

Sec. 402. References to ACTION and the ACTION Agency.

Sec. 403. Definitions.

Sec. 404. References to the Commission on National and Community Service.

Sec. 405. References to Directors of the Commission on National and Community Service.

Sec. 406. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) IN GENERAL.—Section 2 of the National and Community Service Act of 1990 (42 U.S.C. 12501) is amended to read as follows:

"SEC. 2. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds the following:

"(1) Throughout the United States, there are pressing unmet human, educational, environmental, and public safety needs.

"(2) Americans desire to affirm common responsibilities and shared values that transcend race, religion, disability, or region.

"(3) The rising costs of post-secondary education are putting higher education out of reach for an increasing number of citizens.

"(4) Americans of all ages can improve their communities and become better citizens through service to the United States.

"(5) Nonprofit organizations, local governments, States, and the Federal Government are already supporting a wide variety of national service programs that deliver needed services in a cost-effective manner.

"(6) Residents of low-income communities, especially youths and young adults in these communities, can be empowered through their service to help provide future community leadership.

"(b) PURPOSES.—It is the purpose of this Act to—

"(1) meet the unmet human, educational, environmental, and public safety needs of the United States, without displacing existing workers;

"(2) renew the ethic of civic responsibility and the spirit of community throughout the United States;

"(3) expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training;

"(4) encourage citizens of the United States, regardless of age, income, or disability, to engage in full-time or part-time national service;

"(5) reinvent government to eliminate duplication, support locally established initiatives, require measurable goals for performance, and offer flexibility in meeting those goals;

"(6) expand and strengthen existing service programs with demonstrated experience in providing structured service opportunities with visible benefits to the participants and community;

"(7) build on the existing organizational service infrastructure of Federal, State, and local programs and agencies to expand full-time and part-time service opportunities for all citizens; and

"(8) provide tangible benefits to the communities in which national service is performed."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 2 and inserting the following new item:

"Sec. 2. Findings and purpose."

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

SEC. 101. FEDERAL INVESTMENT IN SUPPORT OF NATIONAL SERVICE.

(a) TRANSFER OF EXISTING SUBTITLE.—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended—

(1) by redesignating subtitle C (42 U.S.C. 12653 et seq.) as subtitle I;

(2) by inserting subtitle I (as redesignated by paragraph (1) of this subsection) after subtitle H; and

(3) by redesignating sections 120 through 136 as sections 199 through 190, respectively.

(b) ASSISTANCE PROGRAM AUTHORIZED.—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by inserting after subtitle B the following new subtitle:

"Subtitle C—National Service Trust Program "PART I—INVESTMENT IN NATIONAL SERVICE

"SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) PROVISION OF ASSISTANCE.—The Corporation for National Service may make grants to States, subdivisions of States, Indian tribes, public and private nonprofit organizations, and institutions of higher education for the purpose of assisting the recipients of the grants—

"(1) to carry out full- or part-time national service programs, including summer programs, described in section 122(a); and

"(2) to make grants in support of other national service programs described in section 122(a) that are carried out by other entities.

"(b) AGREEMENTS WITH FEDERAL AGENCIES.—The Corporation may enter into a contract or cooperative agreement with another Federal agency to support a national service program carried out by the agency. The support provided by the Corporation pursuant to the contract or cooperative agreement may include the transfer to the Federal agency of funds available to the Corporation under this subtitle. A Federal agency receiving assistance under this subsection shall not be required to satisfy the matching funds requirements specified in subsection (e). However, the supplementation requirements specified in section 173 shall apply with respect to the Federal national service programs supported with such assistance. A Federal agency receiving assistance under this subsection shall consult with the State Commissions for those States in which projects will be conducted in order to ensure that the projects do not duplicate existing State or local programs.

"(c) PROVISION OF APPROVED NATIONAL SERVICE POSITIONS.—As part of the provision of assistance under subsections (a) and (b), the Corporation shall—

"(1) approve the provision of national service educational awards described in subtitle D for the participants who serve in national service programs carried out using such assistance; and

"(2) deposit in the National Service Trust established in section 145(a) an amount equal to the product of—

"(A) the value of a national service educational award under section 147; and

"(B) the total number of approved national service positions to be provided.

"(d) FIVE PERCENT LIMITATION ON ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to the original recipient of a grant or transfer of assistance under subsection (a) or (b) for a fiscal year may be used to pay for administrative costs incurred by—

"(A) the recipient of the assistance; and

"(B) national service programs carried out or supported with the assistance.

"(2) RULES ON USE.—The Corporation may by rule prescribe the manner and extent to which—

"(A) assistance provided under subsection (a) or (b) may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient of the grant or transfer of assistance under such subsection; and

"(ii) national service programs carried out or supported with the assistance.

"(e) MATCHING FUNDS REQUIREMENTS.—

"(1) REQUIREMENTS.—Except as provided in section 140, the Federal share of the cost of carrying out a national service program that receives the assistance under subsection (a), whether the assistance is provided directly or as

a subgrant from the original recipient of the assistance, may not exceed 75 percent of such cost.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out a national service program, the program—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service laws).

"(3) WAIVER.—The Corporation may waive in whole or in part the requirements of paragraph (1) with respect to a national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGIBLE FOR PROGRAM ASSISTANCE.

"(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—The recipient of a grant under section 121(a) and each Federal agency receiving assistance under section 121(b) shall use the assistance, directly or through subgrants to other entities, to carry out full- or part-time national service programs, including summer programs, that address unmet human, educational, environmental, or public safety needs. Subject to subsection (b)(1), these national service programs may include the following types of national service programs:

"(1) A community corps program that meets unmet human, educational, environmental, or public safety needs and promotes greater community unity through the use of organized teams of participants of varied social and economic backgrounds, skill levels, physical and developmental capabilities, ages, ethnic backgrounds, or genders.

"(2) A full-time, year-round youth corps program or full-time summer youth corps program, such as a conservation corps or youth service corps (including the Public Lands Corps established under the Public Lands Corps Act of 1993, the Urban Youth Corps established under section 106 of the National Service Trust Act of 1993, and other conservation corps or youth service corps that performs service on Federal or other public lands or on Indian lands or Hawaiian home lands), that—

"(A) undertakes meaningful service projects with visible public benefits, including natural resource, urban renovation, or human services projects;

"(B) includes as participants youths and young adults between the ages of 16 and 25, inclusive, including out-of-school youths and other disadvantaged youths (such as youths with limited basic skills, youths in foster care who are becoming too old for foster care, youths of limited English proficiency, and homeless youths, and youths with disabilities) who are between those ages; and

"(C) provides those participants who are youths and young adults with—

"(i) crew-based, highly structured, and adult-supervised work experience, life skills, education, career guidance and counseling, employment training, and support services; and

"(ii) the opportunity to develop citizenship values and skills through service to their community and the United States.

"(3) A program that provides specialized training to individuals in service-learning and places the individuals after such training in positions, including positions as service-learning coordinators, to facilitate service-learning in programs eligible for funding under part I subtitle B.

"(4) A service program that is targeted at specific unmet human, educational, environmental, or public safety needs and that—

"(A) recruits individuals with special skills or provides specialized preservice training to enable participants to be placed individually or in teams in positions in which the participants can meet such unmet needs; and

"(B) if consistent with the purposes of the program, brings participants together for additional training and other activities designed to foster civic responsibility, increase the skills of participants, and improve the quality of the service provided.

"(5) An individualized placement program that includes regular group activities, such as leadership training and special service projects.

"(6) A campus-based program that is designed to provide substantial service in a community during the school term and during summer or other vacation periods through the use of—

"(A) students who are attending an institution of higher education, including students supported by work-study funds under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.);

"(B) teams composed of such students; or

"(C) teams composed of a combination of such students and community residents.

"(7) A preprofessional training program in which students enrolled in an institution of higher education—

"(A) receive training in specified fields, which may include classes containing service-learning;

"(B) perform service related to such training outside the classroom during the school term and during summer or other vacation periods; and

"(C) agree to provide service upon graduation to meet unmet human, educational, environmental, or public safety needs related to such training.

"(8) A professional corps program that recruits, trains, and places qualified participants in positions—

"(A) as teachers, nurses, police officers, early childhood development staff, or other professionals providing service to meet educational, human, environmental, or public safety needs in communities with an inadequate number of such professionals;

"(B) that may include a salary in excess of the maximum living allowance authorized in subsection (a)(3) of section 140, as provided in subsection (c) of such section; and

"(C) that are sponsored by public or private nonprofit employers who agree to pay 100 percent of the salaries and benefits (other than any national service educational award under subtitle D) of the participants.

"(9) A program in which economically disadvantaged individuals (including individuals with disabilities) who are between the ages of 16 and 25 years of age, inclusive, are provided with opportunities to perform service that, while enabling such individuals to obtain the education and employment skills necessary to achieve economic self-sufficiency, will help their communities meet—

"(A) the housing needs of low-income families and the homeless; and

"(B) the need for community facilities in low-income areas.

"(10) A national service entrepreneur program that identifies, recruits, and trains gifted young adults of all backgrounds and assists them in designing solutions to community problems.

"(11) An intergenerational program that combines students, out-of-school youths, and older adults as participants to provide needed community services, including an intergenerational component for other national service programs described in this subsection.

"(12) A program that is administered by a combination of nonprofit organizations located in a low-income area, provides a broad range of services to residents of such area, is governed by

a board composed in significant part of low-income individuals, and is intended to provide opportunities for individuals or teams of individuals to engage in community projects in such area that meet unaddressed community and individual needs, including projects that would—

"(A) meet the needs of low-income children and youth aged 18 and younger, such as providing after-school 'safe-places' with opportunities for learning and recreation; or

"(B) be directed to other important unaddressed needs in such area.

"(13) A community service program designed to meet the needs of rural communities, using teams or individual placements to address the development needs of rural communities and to combat rural poverty, including health care, education, and job training.

"(14) Such other national service programs addressing unmet human, educational, environmental, or public safety needs as the Corporation may designate.

"(b) QUALIFICATION CRITERIA TO DETERMINE ELIGIBILITY.—

"(1) ESTABLISHMENT BY CORPORATION.—The Corporation shall establish qualification criteria for different types of national service programs for the purpose of determining whether a particular national service program should be considered to be a national service program eligible to receive assistance or approved national service positions under this subtitle.

"(2) CONSULTATION.—In establishing qualification criteria under paragraph (1), the Corporation shall consult with organizations and individuals with extensive experience in developing and administering effective national service programs or regarding the delivery of human, educational, environmental, or public safety services to communities or persons.

"(3) APPLICATION TO SUBGRANTS.—The qualification criteria established by the Corporation under paragraph (1) shall also be used by each recipient of assistance under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs.

"(4) ENCOURAGEMENT OF INTERGENERATIONAL COMPONENTS OF PROGRAMS.—The Corporation shall encourage national service programs eligible to receive assistance or approved national service positions under this subtitle to establish, if consistent with the purposes of the program, an intergenerational component of the program that combines students, out-of-school youths, and older adults as participants to provide services to address unmet human, educational, environmental, or public safety needs.

"(c) NATIONAL SERVICE PRIORITIES.—

"(1) ESTABLISHMENT BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to achieve the other purposes of this Act, the Corporation may establish, and periodically alter, priorities regarding the types of national service programs to be assisted under section 121 and the purposes for which such assistance may be used.

"(2) NOTICE TO APPLICANTS.—The Corporation shall provide advance notice to potential applicants of any national service priorities to be in effect under this subsection for a fiscal year. The notice shall specifically include—

"(A) a description of any alteration made in the priorities since the previous notice; and

"(B) a description of the national service programs that are designated by the Corporation under section 133(d)(2) as eligible for priority consideration in the next competitive distribution of assistance under section 121(a).

"(3) APPLICATION TO SUBGRANTS.—Any national service priorities established by the Corporation under this subsection shall also be used by each recipient of funds under section 121(a)

that uses any portion of the assistance to conduct a grant program to support other national service programs.

"SEC. 123. TYPES OF NATIONAL SERVICE POSITIONS ELIGIBLE FOR APPROVAL FOR NATIONAL SERVICE EDUCATIONAL AWARDS.

"The Corporation may approve of any of the following service positions as an approved national service position that includes the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position:

"(1) A position for a participant in a national service program described in section 122(a) that receives assistance under subsection (a) or (b) of section 121.

"(2) A position for a participant in a program that—

"(A) is carried out by a State, a subdivision of a State, an Indian tribe, a public or private nonprofit organization, an institution of higher education, or a Federal agency; and

"(B) would be eligible to receive assistance under section 121(a), based on criteria established by the Corporation, but has not applied for such assistance.

"(3) A position involving service as a VISTA volunteer under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.).

"(4) A position facilitating service-learning in a program described in section 122(a)(3) that is eligible for assistance under part I of subtitle B.

"(5) A position for a participant in the Civilian Community Corps under subtitle E.

"(6) A position involving service as a crew leader in a youth corps program or a similar position supporting a national service program that receives an approved national service position.

"(7) Such other national service positions as the Corporation considers to be appropriate.

"SEC. 124. TYPES OF PROGRAM ASSISTANCE.

"(a) PLANNING ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the planning of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 1 year.

"(b) OPERATIONAL ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the establishment, operation, or expansion of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(c) REPLICATION ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the expansion of a proven national service program to another geographical location. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(d) APPLICATION TO SUBGRANTS.—The requirements of this section shall apply to any State or other applicant receiving assistance under section 121 that proposes to conduct a grant program using the assistance to support other national service programs.

"SEC. 125. TRAINING AND TECHNICAL ASSISTANCE.

"(a) TRAINING PROGRAMS.—The Corporation may conduct, directly or by grant or contract, appropriate training programs regarding national service in order to—

"(1) improve the ability of national service programs assisted under section 121 to meet

human, educational, environmental, or public safety needs in communities—

“(A) where services are needed most; and

“(B) where programs do not currently exist or are currently too limited to meet community needs;

“(2) promote leadership development in such programs;

“(3) improve the instructional and programmatic quality of such programs to build an ethic of civic responsibility;

“(4) develop the management and budgetary skills of program operators; and

“(5) provide for or improve the training provided to the participants in such programs.

“(b) **TECHNICAL ASSISTANCE.**—The Corporation shall make appropriate technical assistance available to States, subdivisions of States, Federal agencies, Indian tribes, public and private nonprofit organizations, and institutions of higher education that desire—

“(1) to develop national service programs; or

“(2) to apply for assistance under such section or under a grant program conducted using assistance provided under such section.

“**SEC. 126. OTHER SPECIAL ASSISTANCE.**

“(a) **SUPPORT FOR STATE COMMISSIONS.**—

“(1) **ASSISTANCE AUTHORIZED.**—Of the funds appropriated to carry out this subtitle in each fiscal year, not to exceed \$17,500,000 shall be available to the Corporation to make assistance available to assist a State to establish or operate the State Commission on National Service required to be established by the State under section 178.

“(2) **AMOUNT OF ASSISTANCE.**—Except as provided in paragraph (3), the amount of assistance that may be provided to a State Commission under this subsection, together with other Federal funds available to establish or operate the State Commission, may not exceed—

“(A) 85 percent of the total cost to establish or operate the State Commission for the first year for which the State Commission receives assistance under this subsection; and

“(B) such smaller percentage of such cost as the Corporation may establish for the second, third, and fourth years of such assistance in order to ensure that the Federal share does not exceed 50 percent of such costs for the fifth year, and any subsequent year, for which the State Commission receives assistance under this subsection.

“(3) **MAXIMUM AMOUNT OF ASSISTANCE.**—The total amount of assistance that may be provided to a State Commission under this subsection for a year may not exceed \$500,000.

“(b) **DISASTER SERVICE.**—The Corporation may undertake activities to involve youth corps programs described in section 122(a)(2) and other programs that receive assistance under the national service laws in relief efforts in response to an emergency or major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

“(c) **CHALLENGE GRANTS FOR NATIONAL SERVICE PROGRAMS.**—

“(1) **ASSISTANCE AUTHORIZED.**—The Corporation may make challenge grants under this subsection to a national service program that receives assistance under section 121. The Corporation shall develop criteria for the selection of challenge grant recipients so as to make the grants widely available to a variety of high-quality national service programs with demonstrated experience in providing service opportunities with visible benefits to the participants and to the community served.

“(2) **AMOUNT OF ASSISTANCE.**—A challenge grant under this subsection may provide not more than \$1 of assistance under this subsection for each \$1 in cash raised by the national service program from private sources in excess of

amounts required to be provided by the program to satisfy matching funds requirements under section 121(e). The Corporation shall establish a ceiling on the amount of assistance that may be provided to a national service program under this subsection.

“**PART II—APPLICATION AND APPROVAL PROCESS**

“**SEC. 129. PROVISION OF ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS BY COMPETITIVE AND OTHER MEANS.**

“(a) **ALLOTMENTS OF ASSISTANCE AND APPROVED POSITIONS TO STATES AND INDIAN TRIBES.**—

“(1) **33 1/3 PERCENT ALLOTMENT OF ASSISTANCE TO CERTAIN STATES.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall make a grant under section 121(a) (and a corresponding allotment of approved national service positions) to each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico that has an application approved by the Corporation under section 133. The amount allotted as a grant to each such State under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 33 1/3 percent of the allocated funds for that fiscal year as the population of the State bears to the total population of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

“(2) **ONE PERCENT ALLOTMENT FOR CERTAIN TERRITORIES AND POSSESSIONS.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands upon approval of an application by the Corporation under section 133. Palau shall also be eligible for a grant under this paragraph from the allotment until such time as the Compact of Free Association with Palau is ratified. The amount allotted as a grant to each such territory or possession under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 1 percent of the allocated funds for that fiscal year as the population of the territory or possession bears to the total population of such territories and possessions.

“(3) **ONE PERCENT ALLOTMENT FOR INDIAN TRIBES.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to Indian tribes, to be allotted by the Corporation on a competitive basis in accordance with their respective needs.

“(4) **EFFECT OF FAILURE TO APPLY.**—If a State or Indian tribe fails to apply for, or fails to give notice to the Corporation of its intent to apply for, an allotment under this subsection, the Corporation shall use the amount that would have been allotted under this subsection to the State or Indian tribe—

“(A) to make grants (and provide approved national service positions in connection with such grants) to other eligible entities under section 121 that propose to carry out national service programs in the State or on behalf of the Indian tribe; and

“(B) after making grants under paragraph (1), to make a reallocation to other States and Indian tribes with approved applications under section 130.

“(b) **RESERVATION OF APPROVED POSITIONS.**—The Corporation shall ensure that each individual selected during a fiscal year for assignment as a VISTA volunteer under title I of the Do-

mestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or as a participant in the Civilian Community Corps Demonstration Program under subtitle E shall receive the national service educational award described in subtitle D if the individual satisfies the eligibility requirements for the award. Funds for approved national service positions required by this paragraph for a fiscal year shall be deducted from the total funding for approved national service positions to be available for distribution under subsections (a) and (d) for that fiscal year.

“(c) **RESERVATION FOR SPECIAL ASSISTANCE.**—Of the funds appropriated under section 501(a)(2), and subject to the limitation in that section, the Corporation may reserve such amount as the Corporation considers to be appropriate for the purpose of making assistance available under sections 125 and 126. However, the Corporation may not reserve more than \$10,000,000 for a fiscal year for challenge grants under section 126(c).

“(d) **COMPETITIVE DISTRIBUTION OF REMAINING FUNDS AND APPROVED POSITIONS.**—

“(1) **STATE COMPETITION.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall use not less than 33 1/3 percent of the allocated funds to make grants to States on a competitive basis under section 121(a).

“(2) **FEDERAL AGENCIES AND OTHER APPLICANTS.**—The Corporation shall distribute on a competitive basis to subdivisions of States, Indian tribes, public and private nonprofit organizations (including labor organizations), institutions of higher education, and Federal agencies the remainder of the funds allocated by the Corporation for provision of assistance under section 121 for a fiscal year, after operation of paragraph (1) and subsections (a) and (c). However, the Corporation may not provide more than 1/5 of the funds available for competitive distribution under this paragraph for a fiscal year to Federal agencies under section 121(b).

“(3) **LIMITATIONS.**—The Corporation may limit the categories of eligible applicants for assistance under paragraph (2) consistent with the priorities established by the Corporation under section 133(d)(2).

“(e) **APPLICATION REQUIRED.**—The allotment of assistance and approved national service positions to a State or Indian tribe under subsection (a), and the competitive distribution of assistance and approved national service positions under subsection (d), shall be made by the Corporation only pursuant to an application submitted by a State or other applicant under section 130 and approved by the Corporation under section 133.

“(f) **DISTRIBUTION OF APPROVED POSITIONS SUBJECT TO AVAILABLE FUNDS.**—The Corporation may not distribute approved national service positions under this section for a fiscal year in excess of the number of such positions for which the Corporation has sufficient available funds in the National Service Trust for that fiscal year to satisfy the maximum possible obligations to be incurred by the United States to provide the national service educational award corresponding to service in these positions.

“(g) **SPONSORSHIP OF APPROVED NATIONAL SERVICE POSITIONS.**—

“(1) **SPONSORSHIP AUTHORIZED.**—The Corporation may enter into agreements with persons or entities who offer to sponsor national service positions for which the person or entity will be responsible for supplying the funds necessary to provide a national service educational award. The distribution of these approved national service positions shall be made pursuant to the agreement, and the creation of these positions shall not be taken into consideration in determining the number of approved national service

positions to be available for distribution under this section.

"(2) DEPOSIT OF CONTRIBUTION.—Funds provided pursuant to an agreement under paragraph (1) and any other funds contributed to the Corporation to support the activities of the Corporation under the national service laws shall be deposited in the National Service Trust established in section 145 until such time as the funds are needed.

"SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) TIME, MANNER, AND CONTENT OF APPLICATION.—To be eligible to receive assistance under section 121 and approved national service positions for participants who serve in the national service programs to be carried out using the assistance, a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency shall prepare and submit to the Corporation an application at such time, in such manner, and containing such information as the Corporation may reasonably require.

"(b) TYPES OF APPLICATION INFORMATION.—In order to have adequate information upon which to consider an application under section 133, the Corporation may require the following information to be provided in an application submitted under subsection (a):

"(1) A description of the national service programs proposed to be carried out directly by the applicant using assistance provided under section 121.

"(2) A description of the national service programs that are selected by the applicant to receive a grant from assistance requested under section 121 and a description of the process and criteria by which the programs were selected, unless such a process conflicts with State or local law, regulation, or policy.

"(3) A description of other funding sources to be used, or sought to be used, for the national service programs referred to in paragraphs (1) and (2), and, if the application is submitted for the purpose of seeking a renewal of assistance, a description of the success of the programs in not increasing their reliance on funds provided under this Act.

"(4) A description of the extent to which the projects to be conducted using the assistance will address unmet human, educational, environmental, or public safety needs and produce a direct benefit for the community in which the projects are performed.

"(5) A description of the plan to be used to recruit participants, including youth with disabilities and economically disadvantaged youth, for the national service programs referred to in paragraphs (1) and (2).

"(6) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) build on existing programs, including Federal programs.

"(7) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) will involve participants—

"(A) in projects that build an ethic of civic responsibility and produce a positive change in the lives of participants through training and participation in meaningful service experiences and opportunities for reflection on such experiences; and

"(B) in leadership positions in implementing and evaluating the program.

"(8) Measurable goals for the national service programs referred to in paragraphs (1) and (2), and a strategy to achieve such goals, in terms of—

"(A) the impact to be made in meeting unmet human, educational, environmental, or public safety needs; and

"(B) the service experience to be provided to participants in the programs.

"(9) A description of the manner and extent to which the national service programs referred to in paragraphs (1) and (2) conform to the national service priorities established by the Corporation under section 122(c).

"(10) A description of the past experience of the applicant in operating a comparable program or in conducting a grant program in support of other comparable service programs.

"(11) A description of the type and number of proposed service positions in which participants will receive the national service educational award described in subtitle D and a description of the manner in which approved national service positions will be apportioned by the applicant.

"(12) A description of the manner and extent to which participants, representatives of the community served, community-based agencies with a demonstrated record of experience in providing services, and labor organizations contributed to the development of the national service programs referred to in paragraphs (1) and (2), including the identity of the individual representing each appropriate labor organization (if any) who was consulted and the nature of the consultation.

"(13) Such other information as the Corporation may reasonably require.

"(c) APPLICATION TO RECEIVE ONLY APPROVED NATIONAL SERVICE POSITIONS.—

"(1) APPLICABILITY OF SUBSECTION.—This subsection shall apply in the case of an application in which—

"(A) the applicant is not seeking assistance under subsection (a) or (b) of section 121, but requests national service educational awards for individuals serving in service positions described in section 123; or

"(B) the applicant requests national service educational awards for service positions described in section 123, but the positions are not positions in a national service program described in section 122(a) for which assistance may be provided under subsection (a) or (b) of section 121.

"(2) SPECIAL APPLICATION REQUIREMENTS.—For the applications described in paragraph (1), the Corporation shall establish special application requirements in order to determine—

"(A) whether the service positions meet unmet human, educational, environmental, or public safety needs and meet the criteria for assistance under this subtitle; and

"(B) whether the Corporation should approve the positions as approved national service positions that include the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position.

"(d) SPECIAL RULE FOR STATE APPLICANTS.—

"(1) SUBMISSION BY STATE COMMISSION.—The application of a State for approved national service positions or for a grant under section 121(a) shall be submitted by the State Commission.

"(2) COMPETITIVE SELECTION.—The application of a State shall contain an assurance that all assistance provided under section 121(a) to the State will be used to support national service programs that were selected by the State on a competitive basis. In making such competitive selections, the State shall seek to ensure the equitable allocation within the State of assistance and approved national service positions provided under this subtitle to the State taking into consideration such factors as the location of the programs applying to the State, population density, and economic distress.

"(3) ASSISTANCE TO NONSTATE ENTITIES.—The application of a State shall also contain an assurance that not less than 60 percent of the assistance will be used to make grants in support of national service programs other than na-

tional service programs carried out by a State agency. The Corporation may permit a State to deviate from the percentage specified by this subsection if the State has not received a sufficient number of acceptable applications to comply with the percentage.

"(e) SPECIAL RULE FOR CERTAIN APPLICANTS.—

"(1) WRITTEN CONCURRENCE.—In the case of a program applicant that proposes to also serve as the service sponsor, the application shall include the written concurrence of any local labor organization representing employees of the service sponsor who are engaged in the same or substantially similar work as that proposed to be carried out.

"(2) PROGRAM APPLICANT DEFINED.—For purposes of this subsection, the term 'program applicant' means—

"(A) a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency submitting an application under this section; or

"(B) an entity applying for assistance or approved national service positions through a grant program conducted using assistance provided to a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency under section 121.

"(f) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—The Corporation shall reject an application submitted under this section if a project proposed to be conducted using assistance requested by the applicant is already described in another application pending before the Corporation.

"SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE REQUIREMENTS.

"(a) IMPACT ON COMMUNITIES.—An application submitted under section 130 shall include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) address unmet human, educational, environmental, or public safety needs through services that provide a direct benefit to the community in which the service is performed; and

"(2) comply with the nonduplication and non-displacement requirements of section 177.

"(b) IMPACT ON PARTICIPANTS.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide participants in the national service program with the training, skills, and knowledge necessary for the projects that participants are called upon to perform; and

"(2) provide support services to participants, such as the provision of appropriate information and support—

"(A) to those participants who are completing a term of service and making the transition to other educational and career opportunities; and

"(B) to those participants who are school dropouts in order to assist those participants in earning the equivalent of a high school diploma.

"(c) CONSULTATION.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide in the design, recruitment, and operation of the program for broad-based input from—

"(A) the community served and potential participants in the program; and

"(B) community-based agencies with a demonstrated record of experience in providing services and local labor organizations representing employees of service sponsors, if these entities exist in the area to be served by the program;

"(2) prior to the placement of participants, consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program to ensure compliance with the nondisplacement requirements specified in section 177; and

"(3) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

"(d) EVALUATION AND PERFORMANCE GOALS.—

"(1) IN GENERAL.—An application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(A) arrange for an independent evaluation of any national service program carried out using assistance provided to the applicant under section 121 or, with the approval of the Corporation, conduct an internal evaluation of the program;

"(B) apply measurable performance goals and evaluation methods (such as the use of surveys of participants and persons served), which are to be used as part of such evaluation to determine the impact of the program—

"(i) on communities and persons served by the projects performed by the program;

"(ii) on participants who take part in the projects; and

"(iii) in such other areas as the Corporation may require; and

"(C) cooperate with any evaluation activities undertaken by the Corporation.

"(2) EVALUATION.—Subject to paragraph (3), the Corporation shall develop evaluation criteria and performance goals applicable to all national service programs carried out with assistance provided under section 121.

"(3) ALTERNATIVE EVALUATION REQUIREMENTS.—The Corporation may establish alternative evaluation requirements for national service programs based upon the amount of assistance received under section 121 or received by a grant made by a recipient of assistance under such section. The determination of whether a national service program is covered by this paragraph shall be made in such manner as the Corporation may prescribe.

"(e) LIVING ALLOWANCES AND OTHER INSERVICE BENEFITS.—Except as provided in section 140(c), an application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(1) ensure the provision of a living allowance and other benefits specified in section 140 to participants in any national service program carried out by the applicant using assistance provided under section 121; and

"(2) require that each national service program that receives a grant from the applicant using such assistance will also provide a living allowance and other benefits specified in section 140 to participants in the program.

"(f) SELECTION OF PARTICIPANTS FROM INDIVIDUALS RECRUITED BY CORPORATION OR STATE COMMISSIONS.—The Corporation may also require an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will select a portion of the participants for the program from among prospective participants recruited by the Corporation or State Commissions under section 138(d). The Corporation may specify a minimum percentage of par-

ticipants to be selected from the national leadership pool established under section 138(e) and may vary the percentage for different types of national service programs. In the case of programs conducted by a State or subdivision of a State, the Corporation shall permit the State or subdivision to select only residents of that State if such a restrictive selection procedure is necessary to comply with State or local law, regulation, or policy.

"SEC. 132. INELIGIBLE SERVICE CATEGORIES.

"An application submitted to the Corporation under section 130 shall include an assurance by the applicant that any national service program carried out using assistance provided under section 121 and any approved national service position provided to an applicant will not be used to perform service that provides a direct benefit to any—

"(1) business organized for profit;

"(2) labor union;

"(3) partisan political organization; or

"(4) organization engaged in religious activities, unless such service does not involve the use of assistance provided under section 121 or participants to give religious instruction, conduct worship services, or engage in any form of proselytization.

"SEC. 133. CONSIDERATION OF APPLICATIONS.

"(a) CORPORATION CONSIDERATION OF CERTAIN CRITERIA.—The Corporation shall apply the criteria described in subsections (c) and (d) in determining whether—

"(1) to approve an application submitted under section 130 and provide assistance under section 121 to the applicant; and

"(2) to approve service positions described in the application as national service positions that include the national service educational award described in subtitle D and provide such approved national service positions to the applicant.

"(b) APPLICATION TO SUBGRANTS.—A State or other entity that uses assistance provided under section 121(a) to support national service programs selected on a competitive basis to receive a share of the assistance shall use the criteria described in subsections (c) and (d) when considering an application submitted by a national service program to receive a portion of such assistance or an approved national service position. The application of the State or other entity under section 130 shall contain a certification that the State or other entity complied with these criteria in the selection of national service programs to receive assistance.

"(c) ASSISTANCE CRITERIA.—The criteria required to be applied in evaluating applications submitted under section 130 are as follows:

"(1) The quality of the national service program proposed to be carried out directly by the applicant or supported by a grant from the applicant.

"(2) The innovative aspects of the national service program, and the feasibility of replicating the program.

"(3) The sustainability of the national service program, based on evidence such as the existence—

"(A) of strong and broad-based community support for the program; and

"(B) of multiple funding sources or private funding for the program.

"(4) The quality of the leadership of the national service program, the past performance of the program, and the extent to which the program builds on existing programs.

"(5) The extent to which participants of the national service program are recruited from among residents of the communities in which projects are to be conducted, and the extent to which participants and community residents are involved in the design, leadership, and operation of the program.

"(6) The extent to which projects would be conducted in the following areas where they are needed most—

"(A) communities designated as enterprise zones or redevelopment areas, targeted for special economic incentives, or otherwise identifiable as having high concentrations of low-income people;

"(B) areas that are environmentally distressed;

"(C) areas adversely affected by Federal actions related to the management of Federal lands that result in significant regional job losses and economic dislocation;

"(D) areas adversely affected by reductions in defense spending or the closure or realignment of military installations;

"(E) rural areas adversely affected by unfair trading practices of international competitors of the United States; or

"(F) areas that have an unemployment rate greater than the national average unemployment for the most recent 12 months for which satisfactory data are available.

"(7) In the case of applicants other than States, the extent to which the application is consistent with the application under section 130 of the State in which the projects would be conducted.

"(8) Such other criteria as the Corporation considers to be appropriate.

"(d) OTHER CONSIDERATIONS.—

"(1) GEOGRAPHIC DIVERSITY.—The Corporation shall ensure that recipients of assistance provided under section 121 are geographically diverse and include projects to be conducted in those urban and rural areas in a State with the highest rates of poverty.

"(2) PRIORITIES.—The Corporation may designate, under such criteria as may be established by the Corporation, certain national service programs or types of national service programs described in section 122(a) for priority consideration in the competitive distribution of funds under section 129(d)(2). In designating national service programs to receive priority, the Corporation may include—

"(A) national service programs carried out by another Federal agency;

"(B) national service programs that conform to the national service priorities in effect under section 122(c);

"(C) innovative national service programs;

"(D) national service programs that are well established in one or more States at the time of the application and are proposed to be expanded to additional States using assistance provided under section 121;

"(E) grant programs in support of other national service programs if the grant programs are to be conducted by nonprofit organizations with a demonstrated and extensive expertise in the provision of services to meet human, educational, environmental, or public safety needs; and

"(F) professional corps programs described in section 122(a)(8).

"(e) EMPHASIS ON AREAS MOST IN NEED.—In making assistance available under section 121 and in providing approved national service positions under section 123, the Corporation shall ensure that not less than 50 percent of the total amount of assistance to be distributed to States under subsections (a) and (d)(1) of section 129 for a fiscal year are provided to carry out or support national service programs and projects that—

"(1) are conducted in areas of economic distress described in subsection (c)(6) or on Federal or other public lands to address unmet human, educational, environmental, or public safety needs in such areas; and

"(2) place a priority on the recruitment of participants who are residents of areas of economic distress described in subsection (c)(6) or Federal or other public lands.

"(f) REJECTION OF STATE APPLICATIONS.—

"(1) NOTIFICATION OF STATE APPLICANTS.—If the Corporation rejects an application submitted by a State Commission under section 130 for funds described in section 129(a)(1), the Corporation shall promptly notify the State Commission of the reasons for the rejection of the application.

"(2) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State Commission notified under paragraph (1) with a reasonable opportunity to revise and resubmit the application. At the request of the State Commission, the Corporation shall provide technical assistance to the State Commission as part of the resubmission process. The Corporation shall promptly reconsider an application resubmitted under this paragraph.

"(3) REALLOTMENT.—The amount of any State's allotment under section 129(a) for a fiscal year that the Corporation determines will not be provided for that fiscal year shall be available for distribution by the Corporation as provided in paragraph (4) of such subsection.

"SEC. 134. EVALUATION OF SUCCESS OF INVESTMENT IN NATIONAL SERVICE.

"(a) EVALUATION REQUIRED.—Not later than two years after the date of the enactment of this section, the Corporation shall arrange for the independent evaluation of the operation of this subtitle to determine the levels of participation of economically disadvantaged individuals in national service programs carried out or supported using assistance provided under section 121.

"(b) PERIOD COVERED BY EVALUATION.—The evaluation required by this section shall cover the two-year period beginning on the date the Corporation first makes a grant under section 121.

"(c) INCOME LEVELS OF PARTICIPANTS.—The evaluating entity shall determine the total income of each participant who serves, during the period covered by the evaluation, in a national service program carried out or supported using assistance provided under section 121 or in an approved national service position. The total income of a participant shall be determined as of the date the participant was first selected to participate and shall include family total income unless the evaluating entity determines that the participant was independent at the time of selection.

"(d) ASSISTANCE FOR DISTRESSED AREAS.—The evaluating entity shall also determine the amount of assistance provided under section 121 during the period covered by the report that has been expended for projects conducted in areas of economic distress described in section 133(c)(6).

"(e) REPORT.—The evaluating entity shall submit a report containing the results of the evaluation to the President, the Congress, the Corporation, and each State Commission.

"(f) DEFINITIONS.—For purposes of this section:

"(1) The term "total income" has the meaning given that term in subsection (a) of the Higher Education Act of 1965 (20 U.S.C. 1087vv).

"(2) The term "independent" has the meaning given that term in subsection (d) of such section.

"PART III—NATIONAL SERVICE PARTICIPANTS**"SEC. 137. DESCRIPTION OF PARTICIPANTS.**

"(a) IN GENERAL.—For purposes of this subtitle, an individual shall be considered to be a participant in a national service program carried out using assistance provided under section 121 if the individual—

"(1) meets such eligibility requirements as may be established by the program;

"(2) is selected by the program to serve in a position with the program;

"(3) will serve in the program for a term of service specified in section 139 to be performed

before, during, or after attendance at an institution of higher education;

"(4) is 17 years of age or older at the time the individual begins the term of service;

"(5) has received a high school diploma or its equivalent, agrees to obtain a high school diploma or its equivalent (unless this requirement is waived based on an individual education assessment conducted by the program) and the individual did not drop out of an elementary or secondary school to enroll in the program, or is enrolled in an institution of higher education on an ability to benefit basis and is considered eligible for funds under section 484 of the Higher Education Act of 1965 (20 U.S.C. 1091); and

"(6) is a citizen or national of the United States or lawful permanent resident alien of the United States.

"(b) SPECIAL RULES FOR CERTAIN YOUTH PROGRAMS.—An individual shall be considered to be a participant in a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9) that is carried out with assistance provided under section 121(a) if the individual—

"(1) satisfies the requirements specified in subsection (a), except paragraph (4) of such subsection; and

"(2) is between the ages of 16 and 25, inclusive, at the time the individual begins the term of service.

"SEC. 138. SELECTION OF NATIONAL SERVICE PARTICIPANTS.

"(a) SELECTION PROCESS.—Subject to subsections (b) and (c) and section 131(f), the actual recruitment and selection of an individual to serve in a national service program receiving assistance under section 121 or to fill an approved national service position shall be conducted by the State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, Federal agency, or other entity to which the assistance and approved national service positions are provided.

"(b) NONDISCRIMINATION AND NONPOLITICAL SELECTION OF PARTICIPANTS.—The recruitment and selection of individuals to serve in national service programs receiving assistance under section 121 or to fill approved national service positions shall be consistent with the requirements of section 175.

"(c) SECOND TERM.—Acceptance into a national service program to serve a second term of service under section 139 shall only be available to individuals who perform satisfactorily in their first term of service.

"(d) RECRUITMENT AND PLACEMENT.—The Corporation and each State Commission shall establish a system to recruit individuals who desire to perform national service and to assist the placement of these individuals in approved national service positions, including positions available under titles I and II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The Corporation and State Commissions shall disseminate information regarding available approved national service positions through cooperation with secondary schools, institutions of higher education, employment service offices, vocational rehabilitation agencies and other State offices that serve primarily people with disabilities, and other appropriate entities, particularly those organizations that provide outreach to disadvantaged youths and youths with disabilities.

"(e) NATIONAL LEADERSHIP POOL.—

"(1) SELECTION AND TRAINING.—From among individuals recruited under subsection (d), the Corporation may select individuals with significant leadership potential, as determined by the Corporation, to receive special training to enhance their leadership ability. The leadership training shall be provided by the Corporation directly or through a grant or contract.

"(2) EMPHASIS ON CERTAIN INDIVIDUALS.—In selecting individuals to receive leadership training under this subsection, the Corporation shall make special efforts to select individuals who have served in the Peace Corps, as VISTA volunteers, as participants in a program under title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5000 et seq.), or as participants in national service programs receiving assistance under section 121, or who are honorably discharged members of the Armed Forces of the United States.

"(3) ASSIGNMENT.—At the request of a program that receives assistance under the national service laws, the Corporation may assign an individual who receives leadership training under paragraph (1) to work with the program in a leadership position and carry out assignments not otherwise performed by regular participants. An individual assigned to a program shall be considered to be a participant of the program.

"(f) EVALUATION OF SERVICE.—The Chairperson shall issue regulations regarding the manner and criteria by which the service of a participant shall be evaluated to determine whether the service is satisfactory and successful for purposes of eligibility for a second term of service or a national service educational award.

"SEC. 139. TERMS OF SERVICE.

"(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform full- or part-time national service for at least one term of service specified in subsection (b).

"(b) TERM OF SERVICE.—

"(1) FULL-TIME SERVICE.—An individual performing full-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of not less than 9 months and not more than 1 year.

"(2) PART-TIME SERVICE.—Except as provided in paragraph (3), an individual performing part-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of—

"(A) not less than 1 year and not more than 2 years; or

"(B) not less than 1 year and not more than 3 years if the individual is enrolled in an institution of higher education while performing all or a portion of the service.

"(3) REDUCTION IN HOURS OF PART-TIME SERVICE.—The Corporation may reduce the number of hours required to be served to successfully complete part-time national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

"(c) RELEASE FROM COMPLETING TERM OF SERVICE.—

"(1) RELEASE AUTHORIZED.—A recipient of assistance under section 121 or a program sponsoring an approved national service position may release a participant from completing a term of service in the position—

"(A) for compelling personal circumstances as demonstrated by the participant; or

"(B) for cause.

"(2) EFFECT OF RELEASE FOR COMPELLING CIRCUMSTANCES.—If a participant eligible for release under paragraph (1)(A) is serving in an approved national service position, the recipient of assistance under section 121 or a program sponsoring an approved national service position may elect—

"(A) to grant such release and provide to the participant that portion of the national service

educational award corresponding to the portion of the term of service actually completed, as provided in section 147(b); or

"(B) to permit the participant to temporarily suspend performance of the term of service for a period of up to 2 years (and such additional period as the Corporation may allow for extenuating circumstances) and, upon completion of such period, to allow return to the program with which the individual was serving in order to complete the remainder of the term of service and obtain the entire national service educational award.

"(3) EFFECT OF RELEASE FOR CAUSE.—A participant released for cause may not receive any portion of the national service educational award.

"SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE PARTICIPANTS.

"(a) PROVISION OF LIVING ALLOWANCE.—

"(1) LIVING ALLOWANCE REQUIRED.—Subject to paragraph (3), a national service program carried out using assistance provided under section 121 shall provide to each participant in the program a living allowance in an amount equal or greater than the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(2) LIMITATION ON FEDERAL SHARE.—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under section 121 and using any other Federal funds shall not exceed 85 percent of the total average annual provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(3) MAXIMUM LIVING ALLOWANCE.—Except as provided in subsection (c), the total amount of an annual living allowance that may be provided to a participant in a national service program shall not exceed 200 percent of the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) PRORATION OF LIVING ALLOWANCE.—The amount provided as a living allowance under this subsection shall be prorated in the case of a participant who is authorized to serve a reduced term of service under section 139(b)(3).

"(5) WAIVER OR REDUCTION OF LIVING ALLOWANCE.—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if it is demonstrated that to provide the living allowance required by such paragraph would cause undue hardship to such program.

"(6) EVALUATION OF LIVING ALLOWANCE.—Not later than 2 years after the effective date of this subsection, the Corporation shall arrange for an independent evaluation to determine the levels of living allowances paid in all programs under this subtitle, individually, by State, and by region. Such evaluation shall determine the effects that such living allowances have had on the ability of individuals to participate in such programs.

"(b) COVERAGE OF CERTAIN EMPLOYMENT-RELATED TAXES.—To the extent a national service program that receives assistance under section 121 is subject, with respect to the participants in the program, to the taxes imposed on an employer under sections 3111 and 3301 of the Internal Revenue Code of 1986 (26 U.S.C. 3111, 3301) and taxes imposed on an employer under a workmen's compensation act, the assistance provided to the program under section 121 shall include an amount sufficient to cover 85 percent of such taxes based upon the lesser of—

"(1) the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(2) the annual living allowance established by the program.

"(c) EXCEPTION FROM MAXIMUM LIVING ALLOWANCE FOR CERTAIN ASSISTANCE.—A professional corps program described in section 122(a)(8) that desires to provide or arrange for a living allowance in excess of the maximum allowance authorized in subsection (a)(3) may still apply for such assistance, except that—

"(1) any assistance provided to the applicant under section 121 may not be used to pay for any portion of the allowance;

"(2) the applicant shall apply for such assistance only by submitting an application to the Corporation for assistance on a competitive basis; and

"(3) the national service program must be operated directly by the applicant and must meet urgent, unmet human, educational, environmental, or public safety needs, as determined by the Corporation.

"(d) HEALTH INSURANCE.—

"(1) IN GENERAL.—A State or other recipient of assistance under section 121 shall provide a basic health care policy for each full-time participant in a national service program carried out or supported using the assistance if the participant is not otherwise covered by a health care policy. Not more than 85 percent of the cost of a premium shall be provided by the Corporation, with the remaining cost paid by the entity receiving assistance under section 121. The Corporation shall establish minimum standards that all plans must meet in order to qualify for payment under this part, any circumstances in which an alternative health care policy may be substituted for the basic health care policy, and mechanisms to prohibit participants from dropping existing coverage.

"(2) NEUTRALITY.—Section 909 of the Education Amendments of 1972 (20 U.S.C. 1688) shall apply with respect to the minimum health care standards established by the Corporation under paragraph (1) and the basic health care policy to be provided to full-time participants under such section. These standards shall not apply to a recipient of assistance under section 121 or any national service program carried out or supported using the assistance if the recipient or program is controlled by a religious organization and application of the standards would not be consistent with the religious tenets of the organization.

"(e) CHILD CARE.—

"(1) AVAILABILITY.—A State or other recipient of assistance under section 121 shall—

"(A) make child care available for children of each full-time participant who serves in a national service program carried out or supported by the recipient using the assistance, including individuals who need such child care in order to participate in the program; or

"(B) provide a child care allowance to each full-time participant in a national service program who needs such assistance in order to participate in the program.

"(2) GUIDELINES.—The Corporation shall establish guidelines regarding the circumstances under which child care must be made available under this subsection and the value of any allowance to be provided.

"(f) INDIVIDUALIZED SUPPORT SERVICES.—A State or other recipient of assistance under section 121 shall provide auxiliary aids and services based on the individualized need of a participant who is a qualified individual with a disability.

"(g) WAIVER OF LIMITATION ON FEDERAL SHARE.—The Corporation may waive in whole or in part the limitation on the Federal share specified in this section with respect to a particular national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 141. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) ELIGIBILITY GENERALLY.—A participant in a national service program carried out using assistance provided to an applicant under section 121 shall be eligible for the national service educational award described in subtitle D if the participant—

"(1) serves in an approved national service position; and

"(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(b) SPECIAL RULE FOR VISTA VOLUNTEERS.—A VISTA volunteer who serves in an approved national service position shall be ineligible for a national service educational award if the VISTA volunteer accepts the stipend authorized under section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(a)(1)).

"(c) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended—

(1) by striking the items relating to subtitle C of title I of such Act and inserting the following new items:

"Subtitle C—National Service Trust Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"Sec. 121. Authority to provide assistance and approved national service positions.

"Sec. 122. Types of national service programs eligible for program assistance.

"Sec. 123. Types of national service positions eligible for approval for national service educational awards.

"Sec. 124. Types of program assistance.

"Sec. 125. Training and technical assistance.

"Sec. 126. Other special assistance.

"PART II—APPLICATION AND APPROVAL PROCESS

"Sec. 129. Provision of assistance and approved national service positions by competitive and other means.

"Sec. 130. Application for assistance and approved national service positions.

"Sec. 131. National service program assistance requirements.

"Sec. 132. Ineligible service categories.

"Sec. 133. Consideration of applications.

"Sec. 134. Evaluation of success of investment in national service.

"PART III—NATIONAL SERVICE PARTICIPANTS

"Sec. 137. Description of participants.

"Sec. 138. Selection of national service participants.

"Sec. 139. Terms of service.

"Sec. 140. Living allowances for national service participants.

"Sec. 141. National service educational awards.";

and

(2) by inserting after the item relating to section 1950 the following new items:

"Subtitle I—American Conservation and Youth Corps

"Sec. 199. Short title.

"Sec. 199A. General authority.

"Sec. 199B. Allocation of funds.

"Sec. 199C. State application.

"Sec. 199D. Focus of programs.

"Sec. 199E. Related programs.

"Sec. 199F. Public lands or Indian lands.

"Sec. 199G. Training and education services.

"Sec. 199H. Amount of award; matching requirement.

"Sec. 199I. Preference for certain projects.

"Sec. 199J. Age and citizenship criteria for enrollment.

"Sec. 199K. Use of volunteers.

"Sec. 199L. Post-service benefits.

"Sec. 199M. Living allowance.

"Sec. 199N. Joint programs.

"Sec. 199O. Federal and State employee status."

(d) **LIVING ALLOWANCE UNDER SUBTITLE I.**—Section 199M(a) of the National and Community Service Act of 1990 (former section 133(a) of such Act as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12553(a)) is amended by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) **LIVING ALLOWANCE REQUIRED.**—Subject to paragraph (3), each participant in a full-time youth corps program that receives assistance under this subtitle shall receive a living allowance in an amount equal or greater than the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(2) **LIMITATION ON FEDERAL SHARE.**—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under this subtitle, section 121, and any other Federal funds shall not exceed 85 percent of the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(3) **MAXIMUM LIVING ALLOWANCE.**—The total amount of an annual living allowance that may be provided to a participant in a full-time youth corps program that receives assistance under this subtitle shall not exceed 200 percent of the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) **WAIVER OR REDUCTION OF LIVING ALLOWANCE.**—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if it is demonstrated that to provide the living allowance required by such paragraph would cause undue hardship to such program.

"(5) **EVALUATION OF LIVING ALLOWANCE.**—Not later than 2 years after the effective date of this subsection, the Corporation shall arrange for an independent evaluation to determine the levels of living allowances paid in all programs under this subtitle, individually, by State, and by region. Such evaluation shall determine the effects that such living allowances have had on the ability of individuals to participate in such programs."

(e) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) **REFERENCES.**—Subtitle I of title I of the National and Community Service Act of 1990 (as so redesignated by subsection (a)(1) of this section) is amended by striking "Commission" each place it appears in sections 199A, 199B, 199C, 199D, 199F, 199H, 199I, 199M, and 199N (as redesignated in subsection (a)(3) of this section) and inserting "Corporation".

(2) **GENERAL AUTHORITY.**—Section 199A of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12541) is amended—

(A) by striking "under section 102"; and

(B) by striking ", to the Secretary of the Interior, or to the Director of ACTION" and inserting "or to the Secretary of the Interior".

(3) **ALLOCATION.**—Section 199B of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12542) is amended by striking "section 123" each place it appears and inserting "section 199C".

(4) **STATE APPLICATION.**—Section 199C(a) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12543(a)) is amended by striking "section 122(b)" and inserting "section 199B(b)".

(5) **PUBLIC LANDS.**—Section 199F(b) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12546(b)) is amended by striking "section 123" and inserting "section 199C".

(6) **PREFERENCE.**—Section 199I(a) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12549) is amended by striking "section 123" and inserting "section 199C".

SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF NATIONAL SERVICE EDUCATIONAL AWARDS.

(a) **ESTABLISHMENT OF TRUST; PROVISION OF AWARDS.**—Subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) is amended to read as follows:

"**Subtitle D—National Service Trust and Provision of National Service Educational Awards**

"SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE TRUST.

"(a) **ESTABLISHMENT.**—There is established in the Treasury of the United States an account to be known as the National Service Trust. The Trust shall consist of—

"(1) from the amounts appropriated to the Corporation and made available to carry out this subtitle pursuant to section 501(a)(2), such amounts as the Corporation may designate to be available for the payment of—

"(A) national service educational awards; and
"(B) interest expenses pursuant to section 148(e);

"(2) any amounts received by the Corporation as gifts, bequests, devise, or otherwise pursuant to section 196(a)(2); and

"(3) the interest on, and proceeds from the sale or redemption of, any obligations held by the Trust.

"(b) **INVESTMENT OF TRUST.**—It shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated to the Trust. Except as otherwise expressly provided in instruments concerning a gift, bequest, devise, or other donation and agreed to by the Corporation, such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the marketplace. Any obligation acquired by the Trust may be sold by the Secretary at the market price.

"(c) **EXPENDITURES FROM TRUST.**—Amounts in the Trust shall be available for payments of national service educational awards in accordance with section 148.

"(d) **REPORTS TO CONGRESS ON RECEIPTS AND EXPENDITURES.**—Not later than March 1 of each year, the Corporation shall submit a report to the Congress on the financial status of the Trust during the preceding fiscal year. Such report shall—

"(1) specify the amount deposited to the Trust from the most recent appropriation to the Corporation, the amount received by the Corporation as gifts or bequest during the period covered by the report, and any amounts obtained by the Trust pursuant to subsection (a)(3);

"(2) identify the number of individuals who are currently performing service to qualify, or have qualified, for national service educational awards;

"(3) identify the number of individuals whose ability to claim national service educational awards during the period covered by the report—

"(A) has been reduced pursuant to section 147(b); or

"(B) has lapsed pursuant to section 146(d); and

"(4) estimate the number of additional approved national service positions which the Corporation will be able to make available under subtitle C on the basis of any accumulated surplus in the Trust above the amount required to provide national service educational awards to individuals identified under paragraph (2), in-

cluding any amounts available as a result of the circumstances referred to in paragraph (3).

"SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL SERVICE EDUCATIONAL AWARD FROM THE TRUST.

"(a) **ELIGIBLE INDIVIDUALS.**—An individual shall receive a national service educational award from the National Service Trust if the individual—

"(1) successfully completes the required term of service described in subsection (b) in an approved national service position;

"(2) was 17 years of age or older at the time the individual began serving in the approved national service position or was an out-of-school youth serving in an approved national service position with a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9);

"(3) has received a high school diploma, or the equivalent of such diploma, at the time the individual uses the national service educational award, unless this requirement has been waived based on an individual education assessment conducted by the program; and

"(4) is a citizen or national of the United States or lawful permanent resident alien of the United States.

"(b) **TERM OF SERVICE.**—The term of service for an approved national service position shall not be less than the full- or part-time term of service specified in section 139(b).

"(c) **LIMITATION ON NUMBER OF TERMS OF SERVICE FOR AWARDS.**—Although an individual may serve more than 2 terms of service described in subsection (b) in an approved national service position, the individual shall receive a national service educational award from the National Service Trust only on the basis of the first and second of such terms of service.

"(d) **TIME FOR USE OF EDUCATIONAL AWARD.**—

"(1) **FIVE-YEAR REQUIREMENT.**—An individual eligible to receive a national service educational award under this section may not use such award after the end of the 5-year period beginning on the date the individual completes the term of service in an approved national service position that is the basis of the award.

"(2) **EXCEPTION.**—The Corporation may extend the period within which an individual may use a national service educational award if the Corporation determines that the individual—

"(A) was unavoidably prevented from using the national service educational award during the original 5-year period; or

"(B) performed another term of service in an approved national service position during that period.

"(e) **SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.**—

"(1) **IN GENERAL.**—An individual who, after qualifying under this section as an eligible individual, has been convicted under any Federal or State law of the possession or sale of a controlled substance shall not be eligible to receive a national service educational award during the period beginning on the date of such conviction and ending after the interval specified in the following table:

If convicted of:	Ineligibility period is:
The possession of a controlled substance:	
1st conviction	1 year
2nd conviction	2 years
3rd conviction	indefinite
The sale of a controlled substance:	
1st conviction	2 years
2nd conviction	indefinite

"(2) **REHABILITATION.**—An individual whose eligibility has been suspended under paragraph (1) shall resume eligibility before the end of the

period determined under such paragraph if the individual satisfactorily completes a drug rehabilitation program that complies with such criteria as the Corporation shall prescribe for purposes of this paragraph.

"(3) **FIRST CONVICTIONS.**—An individual whose eligibility has been suspended under paragraph (1) and is convicted of his or her first offense may resume eligibility before the end of the period determined under such paragraph if the student demonstrates that he or she has enrolled or been accepted for enrollment in a drug rehabilitation program that complies with such criteria as the Corporation shall prescribe for purposes of this subsection.

"(4) **DEFINITIONS.**—As used in this subsection, the term 'controlled substance' has the meaning given in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

"(5) **EFFECTIVE DATE.**—This subsection shall be effective upon publication by the Corporation in the Federal Register of criteria prescribed under paragraph (2) of this subsection.

"(f) **AUTHORITY TO ESTABLISH DEMONSTRATION PROGRAMS.**—The Corporation may establish by regulation demonstration programs for the creation and evaluation of innovative volunteer and community service programs.

"SEC. 147. DETERMINATION OF THE AMOUNT OF THE NATIONAL SERVICE EDUCATIONAL AWARD.

"(a) **AMOUNT GENERALLY.**—Except as provided in subsection (b), an individual described in section 146(a) who successfully completes a required term of service in an approved national service position shall receive a national service educational award having a value equal to \$5,000 for each of not more than 2 of such terms of service.

"(b) **AWARD FOR PARTIAL COMPLETION OF SERVICE.**—If an individual serving in an approved national service position is released in accordance with section 139(c)(1)(A) from completing the term of service agreed to by the individual, the Corporation may provide the individual with that portion of the national service educational award approved for the individual that corresponds to the quantity of the term of service actually completed by the individual.

"SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) **IN GENERAL.**—Amounts in the Trust shall be available—

"(1) to repay student loans in accordance with subsection (b);

"(2) to pay all or part of the cost of attendance at an institution of higher education in accordance with subsection (c);

"(3) to pay expenses incurred in participating in an approved school-to-work program in accordance with subsection (d); and

"(4) to pay interest expenses in accordance with regulations prescribed pursuant to subsection (e).

"(b) **USE OF EDUCATIONAL AWARD TO REPAY OUTSTANDING STUDENT LOANS.**—

"(1) **APPLICATION BY ELIGIBLE INDIVIDUALS.**—An eligible individual under section 146 who desires to apply his or her national service educational award to the repayment of qualified student loans shall submit, in a manner prescribed by the Corporation, an application to the Corporation that—

"(A) identifies, or permits the Corporation to identify readily, the holder or holders of such loans;

"(B) indicates, or permits the Corporation to determine readily, the amounts of principal and interest outstanding on the loans;

"(C) specifies, if the outstanding balance is greater than the amount disbursed under paragraph (2), which of the loans the individual prefers to be paid by the Corporation; and

"(D) contains or is accompanied by such other information as the Corporation may require.

"(2) **DISBURSEMENT OF REPAYMENTS.**—Upon receipt of an application from an eligible individual of an application that complies with paragraph (1), the Corporation shall, as promptly as practicable consistent with paragraph (5), disburse the amount of the national service educational award to which the eligible individual is entitled. Such disbursement shall be made by check or other means that is payable to the holder of the loan and requires the endorsement or other certification by the eligible individual.

"(3) **APPLICATION OF DISBURSED AMOUNTS.**—If the amount disbursed under paragraph (2) is less than the principal and accrued interest on any qualified student loan, such amount shall be applied according to the specified priorities of the individual.

"(4) **REPORTS BY HOLDERS.**—Any holder receiving a loan payment pursuant to this subsection shall submit to the Corporation such information as the Corporation may require to verify that such payment was applied in accordance with this subsection and any regulations prescribed to carry out this subsection.

"(5) **NOTIFICATION OF INDIVIDUAL.**—The Corporation upon disbursing the national service educational award, shall notify the individual of the amount paid for each outstanding loan and the date of payment.

"(6) **AUTHORITY TO AGGREGATE PAYMENTS.**—The Corporation may, by regulation, provide for the aggregation of payments to holders under this subsection.

"(7) **DEFINITION OF QUALIFIED STUDENT LOANS.**—As used in this subsection, the term 'qualified student loans' means—

"(A) any loan made, insured, or guaranteed pursuant to title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), other than a loan to a parent of a student pursuant to section 428B of such Act (20 U.S.C. 1078-2); and

"(B) any loan made pursuant to title VII or VIII of the Public Health Service Act (42 U.S.C. 292a et seq.).

"(8) **DEFINITION OF HOLDER.**—As used in this subsection, the term 'holder' with respect to any eligible loan means the original lender or, if the loan is subsequently sold, transferred, or assigned to some other person, and such other person acquires a legally enforceable right to receive payments from the borrower, such other person.

"(c) **USE OF EDUCATIONAL AWARDS TO PAY CURRENT EDUCATIONAL EXPENSES.**—

"(1) **APPLICATION BY ELIGIBLE INDIVIDUAL.**—An eligible individual under section 146 who desires to apply his or her national service educational award to the payment of current full-time or part-time educational expenses shall, on a form prescribed by the Corporation, submit an application to the institution of higher education in which the student will be enrolled that contains such information as the Corporation may require to verify the individual's eligibility.

"(2) **SUBMISSION OF REQUESTS FOR PAYMENT BY INSTITUTIONS.**—An institution of higher education that receives one or more applications that comply with paragraph (1) shall submit to the Corporation a statement, in a manner prescribed by the Corporation, that—

"(A) identifies each eligible individual filing an application under paragraph (1) for a disbursement of the individual's national service educational award under this subsection;

"(B) specifies the amounts for which such eligible individuals are, consistent with paragraph (6), qualified for disbursement under this subsection;

"(C) certifies that (i) the institution of higher education has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094), and (ii) the institution's eligibility to participate in any of the programs under title IV of such Act (20

U.S.C. 1070 et seq.) has not been limited, suspended, or terminated; and

"(D) contains such provisions concerning financial compliance as the Corporation may require.

"(3) **DISBURSEMENT OF PAYMENTS.**—Upon receipt of a statement from an institution of higher education that complies with paragraph (2), the Corporation shall, subject to paragraph (4), disburse the total amount of the national service educational awards for which eligible individuals who have submitted applications to that institution under paragraph (1) are qualified. Such disbursement shall be made by check or other means that is payable to the institution and requires the endorsement or other certification by the eligible individual.

"(4) **MULTIPLE DISBURSEMENTS REQUIRED.**—The total amount required to be disbursed to an institution of higher education under paragraph (3) for any period of enrollment shall be disbursed by the Corporation in 2 or more installments, none of which exceeds 1/2 of such total amount. The interval between the first and second such installment shall not be less than 1/2 of such period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the second semester, quarter, or similar division of such period of enrollment.

"(5) **REFUND RULES.**—The Corporation shall, by regulation, provide for the refund to the Corporation (and the crediting to the national service educational award of an eligible individual) of amounts disbursed to institutions for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Such regulations shall be consistent with the fair and equitable refund policies required of institutions pursuant to section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b). Amounts refunded to the Trust pursuant to this paragraph may be used by the Corporation to fund additional approved national service positions under subtitle C.

"(6) **MAXIMUM AWARD.**—The portion of an eligible individual's total available national service educational award that may be disbursed under this subsection for any period of enrollment shall not exceed the difference between—

"(A) the eligible individual's cost of attendance for such period of enrollment, determined in accordance with section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087I); and

"(B) the sum of (i) the student's estimated financial assistance for such period under part A of title IV of such Act (20 U.S.C. 1070 et seq.), and (ii) the student's veterans' education benefits, determined in accordance with section 480(c) of such Act (20 U.S.C. 1087v(c)).

"(d) **USE OF EDUCATIONAL AWARD TO PARTICIPATE IN APPROVED SCHOOL-TO-WORK PROGRAMS.**—The Corporation shall by regulation provide for the payment of national service educational awards to permit eligible individuals to participate in school-to-work programs approved by the Secretaries of Labor and Education.

"(e) **INTEREST PAYMENTS DURING FORBEARANCE ON LOAN REPAYMENT.**—The Corporation shall provide by regulation for the payment on behalf of an eligible individual of interest that accrues during a period for which such individual has obtained forbearance in the repayment of a qualified student loan (as defined in subsection (b)(6)), if the eligible individual successfully completes his or her required term of service (as determined under section 146(b)). Such regulations shall be prescribed after consultation with the Secretary of Education.

"(f) **EXCEPTION.**—With the approval of the Director, an approved national service program funded under section 121, may offer participants

the option of waiving their right to receive a National Service Education Award in order to receive an alternative post-service benefit funded by the program entirely with non-Federal funds.

"(g) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—Notwithstanding section 101 of this Act, for purposes of this section the term 'institution of higher education' has the meaning provided by section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a))."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle D of title I of such Act and inserting the following new items:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"Sec. 145. Establishment of the National Service Trust.

"Sec. 146. Individuals eligible to receive a national service educational award from the Trust.

"Sec. 147. Determination of the amount of the national service educational award.

"Sec. 148. Disbursement of national service educational awards."

(c) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY FOR SUBSIDIZED STAFFORD LOANS.—Section 428(a)(2)(C)(i) of the Higher Education Act of 1965 (20 U.S.C. 1078(a)(2)(C)(i)) is amended by inserting after "parts C and E of this title," the following: "any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(2) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—Section 428 of the Higher Education Act of 1965 is amended—

(A) in subsection (b)(1)—

(i) by redesignating subparagraphs (W), (X), and (Y) as subparagraphs (X), (Y), and (Z), respectively; and

(ii) by inserting immediately after subparagraph (V) the following new subparagraph:

"(W)(i) provides that, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary, during periods in which the borrower is serving in a national service position, for which he or she receives a national service educational award under the National Service Trust Act of 1993;

"(ii) provides that clauses (iii) and (iv) of subparagraph (V) shall also apply to a forbearance granted under this subparagraph; and

"(iii) provides that interest shall continue to accrue on a loan for which a borrower receives forbearance under this subparagraph and shall be capitalized or paid by the borrower;" and

(B) in subsection (c)(3)(A), by striking "subsection (b)(1)(V)" and inserting "subsection (b)(1)(V) and (W)".

(3) ELIGIBILITY FOR STAFFORD LOAN FORGIVENESS.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(A) in subsection (b)(1), is amended by striking "October 1, 1992" and inserting "October 1, 1989"; and

(B) in subsection (c), by adding at the end the following new paragraph:

"(5) INELIGIBILITY OF NATIONAL SERVICE EDUCATIONAL AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(4) ELIGIBILITY FOR PERKINS LOAN FORGIVENESS.—Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following new paragraph:

"(6) No borrower may, for the same volunteer service, receive a benefit under both this section

and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(5) IMPACT ON GENERAL NEEDS ANALYSIS.—Section 480(f) of such Act (20 U.S.C. 1087vv(f)) is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.) shall not be taken into account in determining estimated financial assistance not received under this title."

SEC. 103. SCHOOL-BASED AND COMMUNITY-BASED SERVICE-LEARNING PROGRAMS.

(a) AMENDMENTS TO SERVE-AMERICA PROGRAMS.—

(1) PURPOSE.—The purpose of this subsection is to improve the Serve-America programs established under part I of subtitle B of the National and Community Service Act of 1990, and to enable the Corporation for National Service, and the entities receiving financial assistance under such part, to—

(A) work with teachers in elementary schools and secondary schools within a community, and with community-based agencies, to create and offer service-learning opportunities for all school-age youth;

(B) educate teachers, and faculty providing teacher training and retraining, about service-learning, and incorporate service-learning opportunities into classroom teaching to strengthen academic learning;

(C) coordinate the work of adult volunteers who work with elementary and secondary schools as part of their community service activities; and

(D) work with employers in the communities to ensure that projects introduce the students to various careers and expose the students to needed further education and training.

(2) PROGRAMS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by striking the subtitle heading and all that follows through the end of part I and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs "PART I—SERVE-AMERICA PROGRAMS "Subpart A—School-Based Programs for Students

"SEC. 111. AUTHORITY TO ASSIST STATES AND INDIAN TRIBES.

"(a) USE OF FUNDS.—The Corporation, in consultation with the Secretary of Education, may make grants under section 112(b)(1), and allotments under subsections (a) and (b)(2) of section 112, to States (acting through their State educational agency) and Indian tribes to pay for the Federal share of—

"(1) planning and building the capacity of the States or Indian tribes (which may be accomplished through grants or contracts with qualified organizations) to implement school-based service-learning programs, including—

"(A) providing training for teachers, supervisors, personnel from community-based agencies (particularly with regard to the utilization of participants), and trainers, to be conducted by qualified individuals or organizations that have experience with service-learning;

"(B) developing service-learning curricula to be integrated into academic programs, including the age-appropriate learning component described in section 114(d)(5)(B);

"(C) forming local partnerships described in paragraph (2) or (4) to develop school-based service-learning programs in accordance with this subpart;

"(D) devising appropriate methods for research and evaluation of the educational value

of service-learning and the effect of service-learning activities on communities; and

"(E) establishing effective outreach and dissemination of information to ensure the broadest possible involvement of community-based agencies with demonstrated effectiveness in working with school-age youth in their communities;

"(2) implementing, operating, or expanding school-based service-learning programs, which may include paying for the cost of the recruitment, training, supervision, placement, salaries, and benefits of service-learning coordinators, through State distribution of Federal funds made available under this subpart to projects operated by local partnerships among—

"(A) local educational agencies; and
"(B) one or more community partners that—

"(i) shall include a public or private nonprofit organization that—

"(I) has a demonstrated and extensive expertise in the provision of services to meet unmet human, educational, environmental, or public safety needs;

"(II) was in existence at least 1 year before the date on which the organization applies to participate in the partnership; and

"(III) will make projects available for participants, who shall be students; and

"(ii) may include a private for-profit business or private elementary or secondary school;

"(3) planning of school-based service-learning programs through State distribution of Federal funds made available under this subpart to local educational agencies, which planning may include paying for the cost of—

"(A) the salaries and benefits of service-learning coordinators; or

"(B) the recruitment, training, supervision, and placement of service-learning coordinators who are participants in a program under subtitle C or receive a national service educational award under subtitle D,

who will identify the community partners described in paragraph (2)(B) and assist in the design and implementation of a program described in paragraph (2); and

"(4) implementing, operating, or expanding school-based service-learning programs involving adult volunteers to utilize service-learning to improve the education of students through State distribution of Federal funds made available under this part to local partnerships among—

"(A) local educational agencies; and
"(B) one or more—

"(i) public or private nonprofit organizations;

"(ii) other educational agencies; or
"(iii) private for-profit businesses,

that coordinate and operate projects for participants, who shall be students.

"(b) DUTIES OF SERVICE-LEARNING COORDINATOR.—A service-learning coordinator referred to in paragraph (2) or (3) of subsection (a) shall provide services to a local educational agency by—

"(1) expanding the awareness of teachers of the potential of service-learning in strengthening the educational achievement, leadership development, and substantive learning, of students;

"(2) providing technical assistance and information to, and facilitating the training of, teachers who want to use service-learning in their classrooms;

"(3) assisting local partnerships described in subsection (a) in the planning, development, and execution of service-learning projects;

"(4) recruiting and supervising adult volunteers, or individuals who are participants in a program under subtitle C or receive a national service educational award under subtitle D, to expand service-learning opportunities; and

"(5) coordinating the activities of the service-learning coordinator with the activities of the

committee described in section 114(d)(1), and, where appropriate, assisting the committee.

"(c) RELATED EXPENSES.—A partnership, local educational agency, or other qualified organization that receives financial assistance under this subpart may, in carrying out the activities described in subsection (a), use such assistance to pay for the Federal share of reasonable costs related to the supervision of participants, program administration, transportation, insurance, evaluations, and for other reasonable expenses related to the activities.

"SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICANTS IN NONPARTICIPATING STATES.

"In any fiscal year in which a State does not submit an application under section 113, for an allotment under subsection (a) or (b)(2) of section 112, that meets the requirements of section 113 and such other requirements as the Chairperson may determine to be appropriate, the Corporation may use the allotment of that State to make direct grants to pay for the Federal share of the cost of—

"(1) carrying out the activities described in paragraph (2) or (4) of section 111(a), to a local partnership described in such paragraph; or

"(2) carrying out the activities described in paragraph (3) of such section, to an agency described in such paragraph, that is located in the State.

"SEC. 111B. AUTHORITY TO ASSIST PUBLIC OR PRIVATE NONPROFIT ORGANIZATIONS.

"(a) IN GENERAL.—The Corporation may make grants under section 112(b)(1) to public and private nonprofit organizations that—

"(1) have experience with service-learning;

"(2) were in existence 1 year before the date on which the organization submitted an application under section 114(a); and

"(3) meet such other criteria as the Chairperson may establish.

"(b) USE OF FUNDS.—Such organizations may use grants made under subsection (a) to make grants to partnerships described in paragraph (2) or (4) of section 111(a) to implement, operate, or expand school-based service-learning programs as described in such section and provide technical assistance and training to appropriate persons.

"SEC. 112. GRANTS AND ALLOTMENTS.

"(a) INDIAN TRIBES AND TERRITORIES.—Of the amounts appropriated to carry out this subpart for any fiscal year, the Corporation shall reserve an amount of not more than 1 percent for payments to Indian tribes, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs. The Corporation may also make payments from such amount to Palau, in accordance with its needs, until such time as the Compact of Free Association with Palau is ratified.

"(b) GRANTS AND ALLOTMENTS THROUGH STATES.—The Corporation shall use the remainder of the funds appropriated to carry out this subpart for any fiscal year as follows:

"(1) GRANTS.—Except as provided in paragraph (3), from 25 percent of such funds, the Corporation may make grants, on a competitive basis, to—

"(A) State educational agencies and Indian tribes; or

"(B) as described in section 111B, to grantmaking entities.

"(2) ALLOTMENTS.—

"(A) SCHOOL-AGE YOUTH.—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the number of school-age youth in the State bears to the total number of school-age youth of all States.

"(B) ALLOCATION UNDER ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the allocation to the State for the previous fiscal year under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.) bears to such allocations to all States.

"(3) MINIMUM AMOUNT.—No State shall receive, under paragraph (2), an allotment that is less than the allotment such State received for fiscal year 1993 under section 112(b) of this Act, as in effect on the day before the date of enactment of this part. If the amount of funds made available in a fiscal year to carry out paragraph (2) is insufficient to make such allotments, the Corporation shall make available sums from the 25 percent described in paragraph (1) for such fiscal year to make such allotments.

"(4) DEFINITION.—Notwithstanding section 101(25), for purposes of this subsection, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and an Indian tribe.

"(c) REALLOTMENT.—If the Corporation determines that the allotment of a State or Indian tribe under this section will not be required for a fiscal year because the State or Indian tribe does not submit an application for the allotment under section 113 that meets the requirements of such section and such other requirements as the Chairperson may determine to be appropriate, the Corporation shall, after making any grants under section 111A to a partnership or agency described in such section, make any remainder of such allotment available for reallocation to such other States, and Indian tribes, with approved applications submitted under section 113, as the Corporation may determine to be appropriate.

"(d) EXCEPTION.—Notwithstanding subsections (a) and (b), if less than \$20,000,000 is appropriated for any fiscal year to carry out this subpart, the Corporation shall award grants to States and Indian tribes, from the amount so appropriated, on a competitive basis to pay for the Federal share of the activities described in section 111.

"SEC. 113. STATE OR TRIBAL APPLICATIONS.

"(a) SUBMISSION.—To be eligible to receive a grant under section 112(b)(1), an allotment under subsection (a) or (b)(2) of section 112, a reallocation under section 112(c), or a grant under section 112(d), a State, acting through the State educational agency, or an Indian tribe, shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the Chairperson may reasonably require.

"(b) CONTENTS.—An application that is submitted under subsection (a) with respect to service-learning programs described in section 111 shall include—

"(1) a 3-year strategic plan, or a revision of a previously approved 3-year strategic plan, for promoting service-learning through the programs, which plan shall contain such information as the Chairperson may reasonably require, such as—

"(A) a description of the goals to be attained in promoting service-learning through such programs;

"(B) a description of the resources and organization needed to achieve the goals of such programs within elementary schools and secondary schools; and

"(C) a description of the manner in which—

"(i) such programs and the activities to be carried out under such programs relate to the goals described in subparagraph (A);

"(ii) the applicant will evaluate the success of the programs and the extent of community in-

volvement in the programs, and measure the extent to which the programs meet the goals described in subparagraph (A);

"(iii) in reviewing applications submitted under section 114(c), the applicant has ranked the applications according to the criteria described in section 115(b), has considered the factors described in section 115(a), and has reviewed the applications in a manner that ensured the equitable treatment of all such applications;

"(iv) the programs will be coordinated with—

"(I) the education reform efforts of the applicant;

"(II) other efforts to meet the National Education Goals;

"(III) other service activities in the State or serving the Indian tribe; and

"(IV) other education programs, training programs, social service programs, and appropriate programs that serve school-age youth, that are authorized under Federal law;

"(v) the applicant will disseminate information, conduct outreach, and take other measures, to encourage cooperative efforts among the local educational agencies, local government agencies, community-based agencies, State agencies, and private for-profit businesses that will carry out the service-learning programs proposed by the applicant, to develop and provide projects, including those that involve the participation of urban, suburban, and rural students working together;

"(vi) the applicant will promote appropriate projects in such programs for economically disadvantaged students, students with limited basic skills, students in foster care who are becoming too old for foster care, students of limited English proficiency, homeless students, and students with disabilities;

"(vii) service-learning training and technical assistance will be provided through the programs—

"(I) to State and local educational agency personnel, federally assisted education specialists in the State or serving the Indian tribe, and local recipients of grants under this subpart, to raise the awareness of service-learning among such personnel, specialists, and recipients; and

"(II) by qualified and experienced individuals employed by the State or Indian tribe or through grants or contracts with such individuals;

"(viii) a service-learning network will be established for the State or Indian tribe, comprised of expert teachers and administrators who have carried out successful service-learning activities within the State or serving the Indian tribe; and

"(ix) the applicant will use payments from sources described in section 116(a)(2)(B) to expand projects for students through the programs proposed by the applicant;

"(2) assurances that—

"(A) the applicant will keep such records and provide such information to the Corporation with respect to the programs as may be required for fiscal audits and program evaluation; and

"(B) the applicant will comply with the non-duplication and nondisplacement requirements of section 177; and

"(3) such additional information as the Chairperson may reasonably require.

"SEC. 114. LOCAL APPLICATIONS.

"(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—

"(1) IN GENERAL.—To be eligible to receive a grant in accordance with section 111B(a) to make grants relating to school-based service-learning programs described in section 111(a)(2), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application.

"(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require. Such application shall include a proposal to assist such programs in more than 1 State.

"(b) DIRECT APPLICATION TO CORPORATION TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS IN NONPARTICIPATING STATES.—To be eligible to receive a grant from the Corporation in the circumstances described in section 111A to carry out an activity described in such section, a partnership or agency described in such section shall prepare, submit to the Corporation, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

"(c) APPLICATION TO STATE OR INDIAN TRIBE TO RECEIVE ASSISTANCE TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—

"(1) IN GENERAL.—Any—

"(A) qualified organization that desires to receive financial assistance under this subpart from a State or Indian tribe for an activity described in section 111(a)(1);

"(B) partnership described in section 111(a)(2) that desires to receive such assistance from a State, Indian tribe, or grantmaking entity for an activity described in section 111(a)(2);

"(C) agency described in section 111(a)(3) that desires to receive such assistance from a State or Indian tribe for an activity described in such section; or

"(D) partnership described in section 111(a)(4) that desires to receive such assistance from a State or Indian tribe for an activity described in such section,

to be carried out through a service-learning program described in section 111, shall prepare, submit to the State educational agency, Indian tribe, or grantmaking entity, and obtain approval of, an application for the program.

"(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the agency, tribe, or entity may reasonably require.

"(d) CONTENTS OF APPLICATION.—An application that is submitted under subsection (a), (b), or (c) with respect to a service-learning program described in section 111 shall, at a minimum, contain a proposal that includes—

"(1) information specifying the membership and role of an established advisory committee, consisting of representatives of community-based agencies including service recipients, students, parents, teachers, administrators, representatives of agencies that serve school-age youth or older adults, school board members, representatives of local labor organizations, and representatives of business, that will provide advice with respect to the program;

"(2) a description of—

"(A) the goals of the program which shall include goals that are quantifiable and demonstrate any benefits from the program to participants and the community;

"(B) service-learning projects to be provided under the program, and evidence that participants will make a sustained commitment to service in the projects;

"(C) the manner in which participants in the program were or will be involved in the design and operation of the program;

"(D) training for supervisors, teachers, service sponsors, and participants in the program;

"(E) the manner in which exemplary service will be recognized under the program; and

"(F) any resources that will permit continuation of the program, if needed, after the assistance received under this subpart for the program has ended;

"(3) information that shall include—

"(A) a disclosure of whether or not the participants will receive academic credit for participation in the program;

"(B) the expected number of participants in the program and the hours of service that such participants will provide individually and as a group;

"(C) the proportion of expected participants in the program who are economically disadvantaged, including participants with disabilities; and

"(D) any role of adult volunteers in implementing the program, and the manner in which such volunteers will be recruited;

"(4) in the case of an application submitted by a local partnership, a written agreement, between the members of the local partnership, stating that the program was jointly developed by the members and that the program will be jointly executed by the members; and

"(5) assurances that—

"(A) prior to the placement of a participant, the entity carrying out the program will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees;

"(B) the entity carrying out the program will develop an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences; and

"(C) the entity carrying out the program will comply with the nonduplication and non-displacement requirements of section 177 and grievance procedure requirements of section 176(f).

"SEC. 115. CONSIDERATION OF APPLICATIONS.

"(a) CRITERIA FOR APPLICATIONS.—In approving applications for financial assistance under subsection (a), (b), (c), or (d) of section 112, the Corporation shall consider such criteria with respect to sustainability, replicability, innovation, and quality of programs under this subpart as the Chairperson may by regulation specify. In providing assistance under this subpart, a State educational agency, Indian tribe, or grantmaking entity shall consider such criteria.

"(b) PRIORITY FOR LOCAL APPLICATIONS.—

"(1) IN GENERAL.—In providing assistance under this subpart, a State educational agency or Indian tribe, or the Corporation if section 111A or 111B applies, shall give priority to entities that submit applications under section 114 with respect to service-learning programs described in section 111 that—

"(A) involve participants in the design and operation of the program;

"(B) are in the greatest need of assistance, such as programs targeting low-income areas;

"(C) involve—

"(i) students from public elementary or secondary schools, and students from private elementary or secondary schools, serving together; or

"(ii) students of different ages, races, sexes, ethnic groups, disabilities, or economic backgrounds, serving together; or

"(D) are integrated into the academic program of the participants.

"(c) REJECTION OF APPLICATIONS.—If the Corporation rejects an application submitted by a State under section 113 for an allotment under subsection (b)(2) of section 112, the Corporation shall promptly notify the State of the reasons for the rejection of the application. The Corporation shall provide the State with a reasonable opportunity to revise and resubmit the application and shall provide technical assistance, if needed, to the State as part of the resubmission process. The Corporation shall promptly reconsider such resubmitted application.

"SEC. 115A. PARTICIPATION OF STUDENTS AND TEACHERS FROM PRIVATE SCHOOLS.

"(a) IN GENERAL.—To the extent consistent with the number of students in the State or Indian tribe or in the school district of the local educational agency involved who are enrolled in private nonprofit elementary and secondary schools, such State, Indian tribe, or agency shall (after consultation with appropriate private school representatives) make provision—

"(1) for the inclusion of services and arrangements for the benefit of such students so as to allow for the equitable participation of such students in the programs implemented to carry out the objectives and provide the benefits described in this subpart; and

"(2) for the training of the teachers of such students so as to allow for the equitable participation of such teachers in the programs implemented to carry out the objectives and provide the benefits described in this subpart.

"(b) WAIVER.—If a State, Indian tribe, or local educational agency is prohibited by law from providing for the participation of students or teachers from private nonprofit schools as required by subsection (a), or if the Corporation determines that a State, Indian tribe, or local educational agency substantially fails or is unwilling to provide for such participation on an equitable basis, the Chairperson shall waive such requirements and shall arrange for the provision of services to such students and teachers. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with paragraphs (3) and (4) of section 1017(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2727(b)).

"SEC. 116. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

"(a) SHARE.—

"(1) IN GENERAL.—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant or allotment is made under this subpart may not exceed—

"(A) 90 percent of the total cost of the program for the first year for which the program receives assistance under this subpart;

"(B) 80 percent of the total cost of the program for the second year for which the program receives assistance under this subpart;

"(C) 70 percent of the total cost of the program for the third year for which the program receives assistance under this subpart; and

"(D) 50 percent of the total cost of the program for the fourth year, and for any subsequent year, for which the program receives assistance under this subpart.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out such a program, each recipient of assistance under this subpart—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or Federal sources (other than funds made available under the national service laws).

"(b) WAIVER.—The Chairperson may waive the requirements of subsection (a) in whole or in part with respect to any such program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 116A. LIMITATIONS ON USES OF FUNDS.

"(a) ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to a State educational agency, Indian tribe, or grantmaking entity that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be

used to pay for administrative costs incurred by—

“(A) the original recipient; or

“(B) the entity carrying out the service-learning programs supported with the assistance.

“(2) RULES ON USE.—The Chairperson may by rule prescribe the manner and extent to which—

“(A) such assistance may be used to cover administrative costs; and

“(B) that portion of the assistance available to cover administrative costs should be distributed between—

“(i) the original recipient; and

“(ii) the entity carrying out the service-learning programs supported with the assistance.

“(b) CAPACITY-BUILDING ACTIVITIES.—Not less than 10 percent and not more than 15 percent of the amount of assistance provided to a State educational agency or Indian tribe that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to build capacity through training, technical assistance, curriculum development, and coordination activities, described in section 111(a)(1).

“(c) LOCAL USES OF FUNDS.—Funds made available under this subpart may not be used to pay any stipend, allowance, or other financial support to any student who is a participant under this subtitle, except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this subpart.

“SEC. 116B. DEFINITIONS.

“As used in this subpart:

“(1) GRANTMAKING ENTITY.—The term ‘grantmaking entity’ means an organization described in section 111B(a).

“(2) SCHOOL-BASED.—The term ‘school-based’ means based in an elementary school or a secondary school.

“(3) STUDENT.—Notwithstanding section 101(28), the term ‘student’ means an individual who is enrolled in an elementary or secondary school on a full- or part-time basis.

“Subpart B—Community-Based Service Programs for School-Age Youth

“SEC. 117. DEFINITIONS.

“As used in this subpart:

“(1) COMMUNITY-BASED SERVICE PROGRAM.—The term ‘community-based service program’ means a program described in section 117A(b)(1)(A).

“(2) GRANTMAKING ENTITY.—The term ‘grantmaking entity’ means a qualified organization that—

“(A) submits an application under section 117C(a) to make grants to qualified organizations; and

“(B) was in existence 1 year before the date on which the organization submitted the application.

“(3) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means a public or private nonprofit organization with experience working with school-age youth that meets such criteria as the Chairperson may establish.

“SEC. 117A. GENERAL AUTHORITY.

“(a) GRANTS.—From the funds appropriated to carry out this subpart for a fiscal year, the Corporation may make grants to State Commissions, grantmaking entities, and qualified organizations to pay for the Federal share of the implementation, operation, expansion, or replication of community-based service programs.

“(b) USE OF FUNDS.—

“(1) STATE COMMISSIONS AND GRANTMAKING ENTITIES.—A State Commission or grantmaking entity may use a grant made under subsection (a)—

“(A) to make a grant to a qualified organization to implement, operate, expand, or replicate a community-based service-learning program

that provides for meaningful human, educational, environmental, or public safety service by participants, who shall be school-age youth; or

“(B) to provide training and technical assistance to such an organization.

“(2) QUALIFIED ORGANIZATIONS.—A qualified organization, other than a grantmaking entity, may use a grant made under subsection (a) to implement, operate, expand, or replicate a program described in paragraph (1)(A).

“SEC. 117B. STATE APPLICATIONS.

“(a) IN GENERAL.—To be eligible to receive a grant under section 117A(a), a State Commission shall prepare, submit to the Corporation, and obtain approval of, an application.

“(b) SUBMISSION.—Such application shall be submitted to the Corporation at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

“(c) CONTENTS.—Such an application shall include, at a minimum, a State plan that contains the descriptions, proposals, and assurance described in section 117C(d) with respect to each community-based service program proposed to be carried out through funding distributed by the State Commission under this subpart.

“SEC. 117C. LOCAL APPLICATIONS.

“(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from the Corporation under section 117A(a) to make grants under section 117A(b)(1), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out through grants made to qualified organizations. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

“(b) DIRECT APPLICATION TO CORPORATION TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from the Corporation under section 117A(a) to implement, operate, expand, or replicate a community service program, a qualified organization shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out at multiple sites, or that proposes an innovative community-based service program. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

“(c) APPLICATION TO STATE COMMISSION OR GRANTMAKING ENTITY TO RECEIVE GRANTS TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from a State Commission or grantmaking entity under section 117A(b)(1), a qualified organization shall prepare, submit to the Commission or entity, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Commission or entity may reasonably require.

“(d) REQUIREMENTS OF APPLICATION.—An application submitted under subsection (a), (b), or (c) shall, at a minimum, contain—

“(1) a description of any community-based service program proposed to be implemented, operated, expanded, or replicated directly by the applicant using assistance provided under this subpart;

“(2) a description of any grant program proposed to be conducted by the applicant with assistance provided under this subpart to support a community-based service program;

“(3) a proposal for carrying out the community-based service program that describes the manner in which the entity carrying out the program will—

“(A) provide preservice and inservice training, for supervisors and participants, that will be conducted by qualified individuals, or qualified organizations, that have experience in community-based service programs;

“(B) include economically disadvantaged individuals as participants in the program proposed by the applicant;

“(C) provide an age-appropriate service-learning component described in section 114(d)(5)(B);

“(D) conduct an appropriate evaluation of the program;

“(E) provide for appropriate community involvement in the program;

“(F) provide service experiences that promote leadership abilities among participants in the program, including experiences that involve such participants in program design;

“(G) involve participants in projects approved by community-based agencies;

“(H) establish and measure progress toward the goals of the program; and

“(I) organize participants in the program into teams, if appropriate, with team leaders who may be participants in a program under subtitle C or individuals who receive a national service educational award under subtitle D; and

“(4) an assurance that the entity carrying out the program proposed by the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and grievance procedure requirements of section 176(f).

“SEC. 117D. CONSIDERATION OF APPLICATIONS.

“(a) APPLICATION OF CRITERIA.—The Corporation shall apply the criteria described in subsection (b) in determining whether to approve an application submitted under section 117B or under subsection (a) or (b) of section 117C and to provide assistance under section 117A to the applicant on the basis of the application.

“(b) ASSISTANCE CRITERIA.—In evaluating such an application with respect to a program under this subpart, the Corporation shall consider the criteria established for national service programs under section 133(c).

“(c) APPLICATION TO SUBGRANTS.—A State Commission or grantmaking entity shall apply the criteria described in subsection (b) in determining whether to approve an application under section 117C(c) and to make a grant under section 117A(b)(1) to the applicant on the basis of the application.

“SEC. 117E. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

“(a) FEDERAL SHARE.—

“(1) IN GENERAL.—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant is made under this subpart may not exceed the percentage specified in subparagraph (A), (B), (C), or (D) of section 116(a)(1), as appropriate.

“(2) CALCULATION.—Each recipient of assistance under this subpart shall comply with section 116(a)(2).

“(b) WAIVER.—The Chairperson may waive the requirements of subsection (a), in whole or in part, as provided in section 116(b).

“SEC. 117F. LIMITATIONS ON USES OF FUNDS.

“(a) ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount of assistance provided to a State Commission, grantmaking entity, or qualified organization that is the original recipient of a grant under section 117A(a) for a fiscal year may be used to pay for administrative costs incurred by—

“(1) the original recipient; or

“(2) the entity carrying out the community-based service programs supported with the assistance.

“(b) RULES ON USE.—The Chairperson may by rule prescribe the manner and extent to which—

“(1) such assistance may be used to cover administrative costs; and

"(2) that portion of the assistance available to cover administrative costs should be distributed between—

"(A) the original recipient; and
 "(B) the entity carrying out the community-based service programs supported with the assistance.

"Subpart C—Clearinghouse

"SEC. 118. SERVICE-LEARNING CLEARINGHOUSE.

"(a) IN GENERAL.—The Corporation shall provide financial assistance, from funds appropriated to carry out subtitle H, to agencies described in subsection (b) to establish a clearinghouse, which shall carry out activities, either directly or by arrangement with another such entity, with respect to information about service-learning.

"(b) PUBLIC AND PRIVATE NONPROFIT AGENCIES.—Public and private nonprofit agencies that have extensive experience with service-learning, including use of adult volunteers to foster service-learning, shall be eligible to receive assistance under subsection (a).

"(c) FUNCTION OF CLEARINGHOUSE.—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local service-learning programs with needs assessments and planning;

"(2) conduct research and evaluations concerning service-learning;

"(3)(A) provide leadership development and training to State and local service-learning program administrators, supervisors, service sponsors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out service-learning programs and participants in such programs;

"(5) provide information, curriculum materials, and technical assistance relating to planning and operation of service-learning programs, to States and local entities eligible to receive financial assistance under this title;

"(6) provide information regarding methods to make service-learning programs accessible to individuals with disabilities;

"(7)(A) gather and disseminate information on successful service-learning programs, components of such successful programs, innovative youth skills curricula related to service-learning, and service-learning projects; and

"(B) coordinate the activities of the Clearinghouse with appropriate entities to avoid duplication of effort;

"(8) make recommendations to State and local entities on quality controls to improve the quality of service-learning programs;

"(9) assist organizations in recruiting, screening, and placing service-learning coordinators; and

"(10) carry out such other activities as the Chairperson determines to be appropriate."

(b) HIGHER EDUCATION INNOVATIVE PROJECTS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12531 et seq.) is amended by striking part II and inserting the following:

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"SEC. 119. HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE.

"(a) PURPOSE.—It is the purpose of this part to expand participation in community service by supporting innovative community service programs carried out through institutions of higher education, acting as civic institutions to meet the human, educational, environmental, or public safety needs of neighboring communities.

"(b) GENERAL AUTHORITY.—The Corporation, in consultation with the Secretary of Education,

is authorized to make grants to, and enter into contracts with, institutions of higher education (including a combination of such institutions), and partnerships comprised of such institutions and of other public agencies or nonprofit private organizations, to pay for the Federal share of the cost of—

"(1) enabling such an institution or partnership to create or expand an organized community service program that—

"(A) engenders a sense of social responsibility and commitment to the community in which the institution is located; and

"(B) provides projects for participants, who shall be students, faculty, administration, or staff of the institution, or residents of the community;

"(2) supporting student-initiated and student-designed community service projects through the program;

"(3) facilitating the integration of community service carried out under the program into academic curricula, including integration of clinical programs into the curriculum for students in professional schools, so that students can obtain credit for their community service projects;

"(4) supplementing the funds available to carry out work-study programs under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.) to support service-learning and community service through the community service program;

"(5) strengthening the service infrastructure within institutions of higher education in the United States through the program; and

"(6) providing for the training of teachers, prospective teachers, related education personnel, and community leaders in the skills necessary to develop, supervise, and organize service-learning.

"(c) FEDERAL SHARE.—

"(1) SHARE.—

"(A) IN GENERAL.—The Federal share of the cost of carrying out a community service project for which a grant or contract is awarded under this part may not exceed 50 percent.

"(B) CALCULATION.—Each recipient of assistance under this part shall comply with section 116(a)(2).

"(2) WAIVER.—The Chairperson may waive the requirements of paragraph (1), in whole or in part, as provided in section 116(b).

"(d) APPLICATION FOR GRANT.—

"(1) SUBMISSION.—To receive a grant or enter into a contract under this part, an institution or partnership described in subsection (b) shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the Chairperson may reasonably require.

"(2) CONTENTS.—An application submitted under paragraph (1) shall contain—

"(A) such information as the Chairperson may reasonably require, such as a description of—

"(i) the proposed program to be established with assistance provided under the grant or contract;

"(ii) the human, educational, environmental, or public safety service that participants will perform and the community need that will be addressed under such program;

"(iii) whether or not students will receive academic credit for community service projects under the program;

"(iv) the procedure for training supervisors and participants and for supervising and organizing participants in such program;

"(v) the procedures to ensure that the program includes the age-appropriate learning component described in section 114(d)(5)(B);

"(vi) the roles played by students and community members, including service recipients, in the design and implementation of the program; and

"(vii) the budget for the program;

"(B) assurances that—

"(i) prior to the placement of a participant, the applicant will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees; and

"(ii) the applicant will comply with the non-duplication and nondisplacement provisions of section 177 and grievance procedure requirements of section 176(f); and

"(C) such other assurances as the Chairperson may reasonably require.

"(e) PRIORITY.—

"(1) IN GENERAL.—In making grants and entering into contracts under subsection (b), the Corporation shall give priority to applicants that submit applications containing proposals that—

"(A) demonstrate the commitment of the institution of higher education, other than by demonstrating the commitment of the students, to supporting the community service projects carried out under the program;

"(B) specify the manner in which the institution will promote faculty, administration, and staff participation in the community service projects;

"(C) specify the manner in which the institution will provide service to the community through organized programs, including, where appropriate, clinical programs for students in professional schools;

"(D) describe any partnership that will participate in the community service projects, such as a partnership comprised of—

"(i) the institution;

"(ii)(I) a community-based agency;

"(II) a local government agency; or

"(III) a nonprofit entity that serves or involves school-age youth or older adults; and

"(iii) a student organization;

"(E) demonstrate community involvement in the development of the proposal;

"(F) specify that the institution will use such assistance to strengthen the service infrastructure in institutions of higher education; or

"(G) with respect to projects involving delivery of service, specify projects that involve leadership development of school-age youth.

"(2) DETERMINATION.—In giving priority to applicants under paragraph (1), the Corporation shall give increased priority to such an applicant for each characteristic described in subparagraphs (A) through (G) of paragraph (1) that is reflected in the application submitted by the applicant.

"(f) NATIONAL SERVICE EDUCATIONAL AWARD.—A participant in a program funded under this part shall be eligible for the national service educational award described in subtitle D, if the participant served in an approved national service position.

"(g) DEFINITION.—Notwithstanding section 101(28), as used in this part, the term 'student' means an individual who is enrolled in an institution of higher education on a full- or part-time basis.

"PART III—GENERAL PROVISIONS

"SEC. 120. AVAILABILITY OF APPROPRIATIONS.

"Of the aggregate amount appropriated to carry out this subtitle for each fiscal year—

"(1) a sum equal to 75 percent of such aggregate amount shall be available to carry out part I, of which—

"(A) 85 percent of such sum shall be available to carry out subpart A; and

"(B) 15 percent of such sum shall be available to carry out subpart B; and

"(2) a sum equal to 25 percent of such aggregate amount shall be available to carry out part II."

(c) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle B of title I of such Act and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"SUBPART A—SCHOOL-BASED PROGRAMS FOR STUDENTS

"Sec. 111. Authority to assist States and Indian tribes.

"Sec. 111A. Authority to assist local applicants in nonparticipating States.

"Sec. 111B. Authority to assist public or private nonprofit organizations.

"Sec. 112. Grants and allotments.

"Sec. 113. State or tribal applications.

"Sec. 114. Local applications.

"Sec. 115. Consideration of applications.

"Sec. 115A. Participation of students and teachers from private schools.

"Sec. 116. Federal, State, and local contributions.

"Sec. 116A. Limitations on uses of funds.

"Sec. 116B. Definitions.

"SUBPART B—COMMUNITY-BASED SERVICE PROGRAMS FOR SCHOOL-AGE YOUTH

"Sec. 117. Definitions.

"Sec. 117A. General authority.

"Sec. 117B. State applications.

"Sec. 117C. Local applications.

"Sec. 117D. Consideration of applications.

"Sec. 117E. Federal, State, and local contributions.

"Sec. 117F. Limitations on uses of funds.

"SUBPART C—CLEARINGHOUSE

"Sec. 118. Service-learning clearinghouse.

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"Sec. 119. Higher education innovative programs for community service.

"PART III—GENERAL PROVISIONS

"Sec. 120. Availability of appropriations."

SEC. 104. QUALITY AND INNOVATION ACTIVITIES.

(a) REPEAL.—Subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12591 et seq.) is repealed.

(b) TRANSFER.—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended—

(1) by redesignating subtitle H (42 U.S.C. 12653 et seq.) as subtitle E;

(2) by inserting subtitle E (as redesignated by paragraph (1) of this subsection) after subtitle D; and

(3) by redesignating sections 195 through 195O as sections 151 through 166, respectively.

(c) INVESTMENT FOR QUALITY AND INNOVATION.—Title I of the National and Community Service Act of 1990 is further amended by adding before subtitle I (as transferred by section 101(a) of this Act) the following new subtitle:

"Subtitle H—Investment for Quality and Innovation

"SEC. 198. ADDITIONAL CORPORATION ACTIVITIES TO SUPPORT NATIONAL SERVICE.

"(a) METHODS OF CONDUCTING ACTIVITIES.—The Corporation may carry out this section directly or through grants, contracts, and cooperative agreements with other entities.

"(b) INNOVATION AND QUALITY IMPROVEMENT.—

"(1) ACTIVITIES.—The Corporation may undertake activities to improve the quality of national service programs and to support innovative and model programs, including—

"(A) programs under subtitle B or C for rural youth;

"(B) employer-based retiree programs;

"(C) intergenerational programs;

"(D) programs involving and integrating individuals with disabilities as participants providing service; and

"(E) programs sponsored by Governors.

"(2) INTERGENERATIONAL PROGRAM.—An intergenerational program referred to in paragraph (1)(C) may include a program in which older adults provide services to children who participate in Head Start programs.

"(c) SUMMER PROGRAMS.—The Corporation may support service programs intended to be carried out between May 1 and October 1, except that such a program may also include a year-round component.

"(d) COMMUNITY-BASED AGENCIES.—The Corporation may provide training and technical assistance and other assistance to service sponsors and other community-based agencies that provide volunteer placements in order to improve the ability of such agencies to use participants and other volunteers in a manner that results in high-quality service and a positive service experience for the participants and volunteers.

"(e) IMPROVE ABILITY TO APPLY FOR ASSISTANCE.—The Corporation shall provide training and technical assistance to individuals, programs, local labor organizations, State educational agencies, State commissions, local educational agencies, local governments, community-based agencies, and other entities to enable them to apply for funding under one of the national service laws, to conduct high-quality programs, to evaluate such programs, and for other purposes.

"(f) NATIONAL SERVICE FELLOWSHIPS.—The Corporation may award national service fellowships.

"(g) CONFERENCES AND MATERIALS.—The Corporation may organize and hold conferences, and prepare and publish materials, to disseminate information and promote the sharing of information among programs for the purpose of improving the quality of programs and projects.

"(h) PEACE CORPS AND VISTA TRAINING.—The Corporation may provide training assistance to selected individuals who volunteer to serve in the Peace Corps or a program authorized under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The training shall be provided as part of the course of study of the individual at an institution of higher education, shall involve service-learning, and shall cover appropriate skills that the individual will use in the Peace Corps or VISTA.

"(i) PROMOTION AND RECRUITMENT.—The Corporation may conduct a campaign to solicit funds for the National Service Trust and other programs and activities authorized under the national service laws and to promote and recruit participants for programs that receive assistance under the national service laws.

"(j) TRAINING.—The Corporation may support national and regional participant and supervisor training, including leadership training and training in specific types of service and in building the ethic of civic responsibility.

"(k) RESEARCH.—The Corporation may support research on national service, including service-learning.

"(l) INTERGENERATIONAL SUPPORT.—The Corporation may assist programs in developing a service component that combines students, out-of-school youths, and older adults as participants to provide needed community services.

"(m) PLANNING COORDINATION.—The Corporation may coordinate community-wide planning among programs and projects.

"(n) YOUTH LEADERSHIP.—The Corporation may support activities to enhance the ability of youth and young adults to play leadership roles in national service.

"(o) NATIONAL PROGRAM IDENTITY.—The Corporation may support the development and dis-

semination of materials, including training materials, and arrange for uniforms and insignia, designed to promote unity and shared features among programs that receive assistance under the national service laws.

"(p) SERVICE-LEARNING.—The Corporation shall support innovative programs and activities that promote service-learning.

"SEC. 198A. CLEARINGHOUSES.

"(a) ASSISTANCE.—The Corporation shall provide assistance to appropriate entities to establish one or more clearinghouses, including the clearinghouse described in section 118.

"(b) APPLICATION.—To be eligible to receive assistance under subsection (a), an entity shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

"(c) FUNCTION OF CLEARINGHOUSES.—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local community service programs with needs assessments and planning;

"(2) conduct research and evaluations concerning community service;

"(3)(A) provide leadership development and training to State and local community service program administrators, supervisors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out community service programs and participants;

"(5) provide information, curriculum materials, technical assistance relating to planning and operation of community service programs, to States and local entities eligible to receive funds under this title;

"(6)(A) gather and disseminate information on successful community service programs, components of such successful programs, innovative youth skills curriculum, and community service projects; and

"(B) coordinate the activities of the clearinghouse with appropriate entities to avoid duplication of effort;

"(7) make recommendations to State and local entities on quality controls to improve the delivery of community service programs and on changes in the programs under this title; and

"(8) carry out such other activities as the Chairperson determines to be appropriate.

"SEC. 198B. PRESIDENTIAL AWARDS FOR SERVICE.

"(a) PRESIDENTIAL AWARDS.—

"(1) IN GENERAL.—The President, acting through the Corporation, may make Presidential awards for service to individuals providing significant service, and to outstanding service programs.

"(2) INDIVIDUALS AND PROGRAMS.—Notwithstanding section 101(17)—

"(A) an individual receiving an award under this subsection need not be a participant in a program authorized under this Act; and

"(B) a program receiving an award under this subsection need not be a program authorized under this Act.

"(3) NATURE OF AWARD.—In making an award under this section to an individual or program, the President, acting through the Corporation—

"(A) is authorized to incur necessary expenses for the honorary recognition of the individual or program; and

"(B) is not authorized to make a cash award to such individual or program.

"(b) INFORMATION.—The President, acting through the Corporation, shall ensure that information concerning individuals and programs receiving awards under this section is widely disseminated.

"SEC. 198C. ASSISTANCE FOR HEAD START.

"Under section 198, the Corporation may make grants to, and contracts and cooperative agreements with, public and nonprofit private agencies and organizations that receive grants and contracts under the Foster Grandparent Program (part B of title II of the Domestic Volunteer Service Act of 1973), for projects of the type described in section 211(a) of such Act operating under memoranda of agreement with the ACTION Agency, for the purpose of increasing the number of low-income individuals who provide services under such program to children who participate in Head Start programs."

(d) TABLE OF CONTENTS.—

(1) **CIVILIAN COMMUNITY CORPS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle E of title I of such Act and inserting the following:

- "Subtitle E—Civilian Community Corps
 "Sec. 151. Purpose.
 "Sec. 152. Establishment of Civilian Community Corps Demonstration Program.
 "Sec. 153. National service program.
 "Sec. 154. Summer national service program.
 "Sec. 155. Civilian Community Corps.
 "Sec. 156. Training.
 "Sec. 157. Service projects.
 "Sec. 158. Authorized benefits for Corps members.
 "Sec. 159. Administrative provisions.
 "Sec. 160. Status of Corps members and Corps personnel under Federal law.
 "Sec. 161. Contract and grant authority.
 "Sec. 162. Responsibilities of other departments.
 "Sec. 163. Advisory board.
 "Sec. 164. Annual evaluation.
 "Sec. 165. Funding limitation.
 "Sec. 166. Definitions."

(2) **QUALITY AND INNOVATION.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle H of title I of such Act and inserting the following:

- "Subtitle H—Investment for Quality and Innovation
 "Sec. 198. Additional corporation activities to support national service.
 "Sec. 198A. Clearinghouses.
 "Sec. 198B. Presidential awards for service.
 "Sec. 198C. Assistance for Head Start."

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) **NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.**—

(A) Section 1091(f)(2) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) is amended by striking "195G" and inserting "158".

(B) Paragraphs (1) and (2) of section 1092(b), and sections 1092(c), 1093(a), and 1094(a) of such Act are amended by striking "195A" and inserting "152".

(C) Sections 1091(f)(2), 1092(b)(1), and 1094(a), and subsections (a) and (c) of section 1095 of such Act are amended by striking "subtitle H" and inserting "subtitle E".

(D) Section 1094(b)(1) and subsections (b) and (c)(1) of section 1095 of such Act are amended by striking "subtitles B, C, D, E, F, and G" and inserting "subtitles B, C, D, F, G, and H".

(2) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—

(A) Section 153(a) of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653b(a)) is amended by striking "195A(a)" and inserting "152(a)".

(B) Section 154(a) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653c(a)) is amended by striking "195A(a)" and inserting "152(a)".

(C) Section 155 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653d) is amended—

(i) in subsection (a), by striking "195H(c)(1)" and inserting "159(c)(1)";

(ii) in subsection (c)(2), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

(iii) in subsection (d)(3), by striking "195K(a)(3)" and inserting "162(a)(3)".

(D) Section 156 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653e) is amended—

(i) in subsection (c)(1), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

(ii) in subsection (d), by striking "195K(a)(3)" and inserting "162(a)(3)".

(E) Section 159 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653h) is amended—

(i) in subsection (a)—

(I) by striking "195A" and inserting "152"; and

(II) by striking "195" and inserting "151"; and

(ii) in subsection (c)(2)(C)(i), by striking "195K(a)(2)" and inserting "162(a)(2)".

(F) Section 161(b)(1)(B) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653j(b)(1)(B)) is amended by striking "195K(a)(3)" and inserting "162(a)(3)".

(G) Section 162(a)(2)(A) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653k(a)(2)(A)) is amended by striking "195(3)" and inserting "151(3)".

(H) Section 166 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653o) is amended—

(i) in paragraph (2), by striking "195D" and inserting "155";

(ii) in paragraph (8), by striking "195A" and inserting "152";

(iii) in paragraph (10), by striking "195D(d)" and inserting "155(d)"; and

(iv) in paragraph (11), by striking "195D(c)" and inserting "155(c)".

(f) **EXTENSION OF AUTHORITY TO CONDUCT CIVILIAN COMMUNITY CORPS.**—Section 1092(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2534), as amended by subsection (e)(1) of this section, is further amended by adding at the end the following new sentence: "The amount made available for the Civilian Community Corps Demonstration Program pursuant to this subsection shall remain available for expenditure during fiscal years 1993 and 1994."

(g) **ADDITIONAL AMENDMENT REGARDING CIVILIAN COMMUNITY CORPS.**—Section 158 of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653g) is amended by striking subsections (f), (g), and (h) and inserting the following new subsections:

"(f) **NATIONAL SERVICE EDUCATIONAL AWARDS.**—A Corps member who successfully completes a period of agreed service in the Corps may receive the national service educational award described in subtitle D if the Corps member—

"(1) serves in an approved national service position; and

"(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(g) **ALTERNATIVE BENEFIT.**—If a Corps member who successfully completes a period of agreed service in the Corps is ineligible for the national service educational award described in subtitle D, the Director may provide for the provision of a suitable alternative benefit for the Corps member."

SEC. 105. PUBLIC LANDS CORPS.

Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the Youth Conservation Corps Act of 1970) is amended—

(1) by inserting before section 1 the following: "**TITLE I—YOUTH CONSERVATION CORPS**";

(2) by striking "Act" each place it appears and inserting "title";

(3) by redesignating sections 1 through 6 as sections 101 through 106, respectively;

(4) in section 102 (as so redesignated), by inserting "in this title" after "hereinafter" in subsection (a);

(5) in section 104 (as so redesignated), by striking "section 6" in subsection (d) and inserting "section 106"; and

(6) by adding at the end the following new title:

"TITLE II—PUBLIC LANDS CORPS**"SEC. 201. SHORT TITLE.**

"This title may be cited as the 'Public Lands Corps Act of 1993'."

"SEC. 202. CONGRESSIONAL FINDINGS AND PURPOSE.

"(a) **FINDINGS.**—The Congress finds the following:

"(1) Conserving or developing natural and cultural resources and enhancing and maintaining environmentally important lands and waters through the use of the Nation's young men and women in a Public Lands Corps can benefit those men and women by providing them with education and work opportunities, furthering their understanding and appreciation of the natural and cultural resources, and providing a means to pay for higher education or to repay indebtedness they have incurred to obtain higher education while at the same time benefiting the Nation's economy and its environment.

"(2) Many facilities and natural resources located on eligible service lands are in disrepair or degraded and in need of labor intensive rehabilitation, restoration, and enhancement work which cannot be carried out by Federal agencies at existing personnel levels.

"(3) Youth conservation corps have established a good record of restoring and maintaining these kinds of facilities and resources in a cost effective and efficient manner, especially when they have worked in partnership arrangements with government land management agencies.

"(b) **PURPOSE.**—It is the purpose of this title to—

"(1) perform, in a cost-effective manner, appropriate conservation projects on eligible service lands where such projects will not be performed by existing employees;

"(2) assist governments and Indian tribes in performing research and public education tasks associated with natural and cultural resources on eligible service lands;

"(3) expose young men and women to public service while furthering their understanding and appreciation of the nation's natural and cultural resources;

"(4) expand educational opportunities by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training; and

"(5) stimulate interest among the nation's young men and women in conservation careers by exposing them to conservation professionals in land managing agencies.

"SEC. 203. DEFINITIONS.

"For purposes of this title:

"(1) The term 'appropriate conservation project' means any project for the conservation, restoration, construction or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

"(2) The terms 'Corps' and 'Public Lands Corps' mean the Public Lands Corps established under section 204.

"(3) The term 'eligible service lands' means public lands, Indian lands, and Hawaiian home lands.

"(4) The term 'Hawaiian home lands' means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 110), or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (Public Law 86-3; 73 Stat. 5).

"(5) The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(6) The term 'Indian' means a person who is a member of an Indian tribe.

"(7) The term 'Indian lands' means—

"(A) any Indian reservation;

"(B) any public domain Indian allotments;

"(C) any former Indian reservation in the State of Oklahoma;

"(D) any land held by incorporated Native groups, regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.); and

"(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State.

"(8) The term 'public lands' means any lands or waters (or interest therein) owned or administered by the United States, except that such term does not include any Indian lands.

"(9) The term 'qualified youth or conservation corps' means any program established by a State or local government, by the governing body of any Indian tribe, or by a nonprofit organization that—

"(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25, inclusive, in a natural or cultural resource setting;

"(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

"(C) provides participants with the opportunity to develop citizenship values and skills through service to their community and the United States.

"(10) The term 'resource assistant' means a resource assistant selected under section 206.

"(11) The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 204. PUBLIC LANDS CORPS PROGRAM.

"(a) ESTABLISHMENT OF PUBLIC LANDS CORPS.—There is hereby established in the Department of the Interior and the Department of Agriculture a Public Lands Corps.

"(b) PARTICIPANTS.—The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretary of the Interior or the Secretary of Agriculture. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 137(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

"(c) QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary of the Interior and the Secretary of Agriculture are authorized to enter into contracts and cooperative agreements with any qualified youth or conservation corps to perform appropriate conservation projects referred to in subsection (d).

"(d) PROJECTS TO BE CARRIED OUT.—The Secretary of the Interior and the Secretary of Agriculture may each utilize the Corps or any qualified youth or conservation corps to carry out appropriate conservation projects which such Secretary is authorized to carry out under other authority of law on public lands. Appropriate conservation projects may also be carried out under this title on Indian lands with the approval of the Indian tribe involved and on Hawaiian home lands with the approval of the Department of Hawaiian Home Lands of the State of Hawaii.

"(e) PREFERENCE FOR CERTAIN PROJECTS.—In selecting appropriate conservation projects to be carried out under this title, the Secretary of the Interior and the Secretary of Agriculture shall give preference to those projects which—

"(1) will provide long-term benefits to the public;

"(2) will instill in the enrollee involved a work ethic and a sense of public service;

"(3) will be labor intensive;

"(4) can be planned and initiated promptly; and

"(5) will provide academic, experiential, or environmental education opportunities.

"(f) CONSISTENCY.—Each appropriate conservation project carried out under this title on eligible service lands shall be consistent with the provisions of law and policies relating to the management and administration of such lands, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of the area.

"SEC. 205. CONSERVATION CENTERS.

"(a) ESTABLISHMENT AND USE.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide such quarters, board, medical care, transportation, and other services, facilities, supplies, and equipment as such Secretary deems necessary in connection with the Public Lands Corps and appropriate conservation projects carried out under this title and to establish and use conservation centers owned and operated by such Secretary for purposes of the Corps and such projects. The Secretaries shall establish basic standards of health, nutrition, sanitation, and safety for all conservation centers established under this section and shall assure that such standards are enforced. Where necessary or appropriate, the Secretaries may enter into contracts and other appropriate arrangements with State and local government agencies and private organizations for the management of such conservation centers.

"(b) LOGISTICAL SUPPORT.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to have logistical support provided by the Armed Forces to the Corps and any conservation center established under this section, where feasible. Logistical support may include the provision of temporary tent shelters where needed, transportation, and residential supervision.

"(c) USE OF MILITARY INSTALLATIONS.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to identify military installations and other facilities of the Department of Defense and, in consultation with the adjutant generals of the State National Guards, National Guard facilities that may be used, in whole or in part, by the Corps for training or housing Corps participants.

"SEC. 206. RESOURCE ASSISTANTS.

"(a) AUTHORIZATION.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide individual placements of resource assistants with any Federal land managing agency under the jurisdiction of such Secretary to carry out research or resource protection activities on behalf of the agency. To be eligible for selection as a resource assistant, an individual must be at least 17 years of age. The Secretaries may select resource assistants without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries shall give a preference to the selection of individuals who are enrolled in an institution of higher education or are recent graduates from an institution of higher education, with particular attention given to ensure full representation of women and participants from historically black, Hispanic, and Native American schools.

"(b) USE OF EXISTING NONPROFIT ORGANIZATIONS.—Whenever one or more existing nonprofit organizations can provide, in the judgment of the Secretary of the Interior or the Secretary of Agriculture, appropriate recruitment and placement services to fulfill the requirements of this section, the Secretary may implement this section through such existing organizations. Participating nonprofit organizations shall contribute to the expenses of providing and supporting the resource assistants, through private sources of funding, at a level equal to 25 percent of the total costs of each participant in the Resource Assistant program who has been recruited and placed through that organization. Any such participating nonprofit conservation service organization shall be required, by the respective land managing agency, to submit an annual report evaluating the scope, size, and quality of the program, including the value of work contributed by the Resource Assistants, to the mission of the agency.

"SEC. 207. LIVING ALLOWANCES AND TERMS OF SERVICE.

"(a) LIVING ALLOWANCES.—The Secretary of the Interior and the Secretary of Agriculture shall provide each participant in the Public Lands Corps and each resource assistant with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

"(b) TERMS OF SERVICE.—Each participant in the Corps and each resource assistant shall agree to participate in the Corps or serve as a resource assistant, as the case may be, for such term of service as may be established by the Secretary enrolling or selecting the individual.

"SEC. 208. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) EDUCATIONAL BENEFITS AND AWARDS.—If a participant in the Public Lands Corps or a resource assistant also serves in an approved national service position designated under subtitle C of title I of the National and Community Service Act of 1990, the participant or resource assistant shall be eligible for a national service educational award in the manner prescribed in subtitle D of such title upon successfully complying with the requirements for the award. The period during which the national service educational award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

"(b) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are either participants in the Corps or resource assistants, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent

with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant or a resource assistant.

"SEC. 209. NONDISPLACEMENT.

"The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Public Lands Corps, to all activities carried out under this title by a qualified youth or conservation corps, and to the selection and service of resource assistants.

"SEC. 210. FUNDING.

"(a) COST SHARING.—

"(1) PROJECTS BY QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to pay not more than 75 percent of the costs of any appropriate conservation project carried out pursuant to this title on public lands by a qualified youth or conservation corps. The remaining 25 percent of the costs of such a project may be provided from nonfederal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing. No cost sharing shall be required in the case of any appropriate conservation project carried out on Indian lands or Hawaiian home lands under this title.

"(2) PUBLIC LANDS CORPS PROJECTS.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Public Lands Corps and carrying out appropriate conservation projects by the Corps. However, nothing in this title shall be construed to require any cost sharing for any project carried out directly by the Corps.

"(b) FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.—In order to carry out the Public Lands Corps or to support resource assistants and qualified youth or conservation corps under this title, the Secretary of the Interior and the Secretary of Agriculture shall be eligible to apply for and receive assistance under section 121(b) of the National and Community Service Act of 1990.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this title."

SEC. 106. URBAN YOUTH CORPS.

(a) FINDINGS.—The Congress finds the following:

(1) The rehabilitation, reclamation, and beautification of urban public housing, recreational sites, youth and senior centers, and public roads and public works facilities through the efforts of young people in the United States in an Urban Youth Corps can benefit these youths, while also benefiting their communities, by—

(A) providing them with education and work opportunities;

(B) furthering their understanding and appreciation of the challenges faced by individuals residing in urban communities; and

(C) providing them with a means to pay for higher education or to repay indebtedness they have incurred to obtain higher education.

(2) A significant number of housing units for low-income individuals in urban areas has become substandard and unsafe and the deterioration of urban roadways, mass transit systems, and transportation facilities in the United States have contributed to the blight encountered in many cities in the United States.

(3) As a result, urban housing, public works, and transportation resources are in need of labor intensive rehabilitation, reclamation, and beautification work that has been neglected in the past and cannot be adequately carried out by Federal, State, and local government at existing personnel levels.

(4) Urban youth corps have established a good record of rehabilitating, reclaiming, and beautifying these kinds of resources in a cost efficient manner, especially when they have worked in partnership with government housing, public works, and transportation authorities and agencies.

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

(1) to perform, in a cost-effective manner, appropriate service projects to rehabilitate, reclaim, beautify, and improve public housing and public works and transportation facilities and resources in urban areas suffering from high rates of poverty where work will not be performed by existing employees;

(2) to assist government housing, public works, and transportation authorities and agencies;

(3) to expose young people in the United States to public service while furthering their understanding and appreciation of their community;

(4) to expand educational opportunity for individuals who participate in the Urban Youth Corps established by this section by providing them with an increased ability to pursue post-secondary education or job training; and

(5) to stimulate interest among young people in the United States in lifelong service to their communities and the United States.

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

(1) The term "appropriate service project" means any project for the rehabilitation, reclamation, or beautification of urban public housing and public works and transportation resources or facilities.

(2) The term "Corps" and "Urban Youth Corps" mean the Urban Youth Corps established under subsection (d)(1).

(3) The term "qualified urban youth corps" means any program established by a State or local government or by a nonprofit organization that—

(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25, inclusive, in an urban or public works or transportation setting;

(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

(C) provides participants with the opportunity to develop citizenship values and skills through service to their communities and the United States.

(4) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(d) ESTABLISHMENT OF URBAN YOUTH CORPS.—

(1) **ESTABLISHMENT.—**There is hereby established in the appropriate executive departments of the Federal Government an Urban Youth Corps. The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretaries of such departments. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 139(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

(2) **USE OF QUALIFIED URBAN YOUTH CORPS.—**The Secretaries are authorized to enter into contracts and cooperative agreements with any qualified urban youth corps to perform appro-

appropriate service projects described in paragraph (3).

(3) **SERVICE PROJECTS.—**The Secretaries may each utilize the Corps or any qualified urban youth corps to carry out appropriate service projects that the Secretary involved is authorized to carry out under other authority of law involving public housing projects or public works resources or facilities.

(4) **PREFERENCE FOR CERTAIN PROJECTS.—**In selecting an appropriate service project to be carried out under this section, the Secretaries shall give a preference to those projects which—

(A) will provide long-term benefits to the public;

(B) will instill in the participant a work ethic and a sense of public service;

(C) will be labor intensive;

(D) can be planned and initiated promptly; and

(E) will provide academic, experiential, or community education opportunities.

(5) **CONSISTENCY.—**Each appropriate service project carried out under this section in any public housing project or public works resource or facility shall be consistent with the provisions of law and policies relating to the management and administration of such projects, facilities, or resources, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of such projects, facilities, or resources.

(e) **LIVING ALLOWANCES.—**The Secretaries shall provide each participant in the Urban Youth Corps with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

(f) **TERMS OF SERVICE.—**Each participant in the Urban Youth Corps shall agree to participate in the Corps for a term of service established by the Secretary involved, consistent with the terms of service required under section 139(b) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

(g) **EDUCATIONAL AWARDS.—**

(1) **ELIGIBILITY.—**Each participant in the Urban Youth Corps shall be eligible for a national service educational award in the manner prescribed in subtitle D of title I of the National and Community Service Act of 1990 if such participant complies with such requirements as may be established under this subtitle by the Secretary involved respecting eligibility for the award. The period during which the award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

(2) **FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—**For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are participants in the Urban Youth Corps, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant and eligible for a national service educational award under paragraph (1).

(h) **NONDISPLACEMENT.—**The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Urban Youth Corps and to all activities carried out under this section by a qualified urban youth corps.

(i) **COST SHARING.—**

(1) **PROJECTS BY QUALIFIED URBAN YOUTH CORPS.—**The Secretaries are each authorized to

pay not more than 75 percent of the costs of any appropriate service project carried out pursuant to this section by a qualified urban youth corps. The remaining 25 percent of the costs of such a project may be provided from nonfederal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing.

(2) **DONATIONS.**—The Secretaries are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Urban Youth Corps and carrying out appropriate service projects by the Corps. However, nothing in this section shall be construed to require any cost sharing for any project carried out directly by the Corps.

(3) **FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.**—In order to carry out the Urban Youth Corps or to support qualified urban youth corps under this section, the Secretaries shall be eligible to apply for and receive assistance under section 121(b) of the National and Community Service Act of 1990.

(4) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to carry out this section.

Subtitle B—Related Provisions

SEC. 111. DEFINITIONS.

(a) **IN GENERAL.**—Section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511) is amended to read as follows:

“SEC. 101. DEFINITIONS.

“For purposes of this title:

“(1) **ADULT VOLUNTEER.**—The term ‘adult volunteer’ means an individual, such as an older adult, an individual with a disability, a parent, or an employee of a business or public or private nonprofit agency, who—

“(A) works without financial remuneration in an educational institution to assist students or out-of-school youth; and

“(B) is beyond the age of compulsory school attendance in the State in which the educational institution is located.

“(2) **APPROVED NATIONAL SERVICE POSITION.**—The term ‘approved national service position’ means a national service position designated by the Corporation as a position that includes a national service educational award described in section 147 as one of the benefits to be provided for successful service in the position.

“(3) **CARRY OUT.**—The term ‘carry out’, when used in connection with a national service program described in section 122, means the planning, establishment, operation, expansion, or replication of the program.

“(4) **CHAIRPERSON.**—The term ‘Chairperson’ means the Chairperson and Director of the Corporation appointed under section 193.

“(5) **COMMUNITY-BASED AGENCY.**—The term ‘community-based agency’ means a private nonprofit organization (including a church or other religious entity) that—

“(A) is representative of a community or a significant segment of a community; and

“(B) is engaged in meeting human, educational, environmental, or public safety community needs.

“(6) **CORPORATION.**—The term ‘Corporation’ means the Corporation for National Service established under section 191.

“(7) **ECONOMICALLY DISADVANTAGED.**—The term ‘economically disadvantaged’ means, with respect to an individual, an individual who is determined by the Chairperson to be low-income according to the latest available data from the Department of Commerce.

“(8) **ELEMENTARY SCHOOL.**—The term ‘elementary school’ has the same meaning given such term in section 1471(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(8)).

“(9) **INDIAN.**—The term ‘Indian’ means a person who is a member of an Indian tribe.

“(10) **INDIAN LANDS.**—The term ‘Indian lands’ means—

“(A) any Indian reservation;

“(B) any public domain Indian allotments;

“(C) any former Indian reservation in the State of Oklahoma;

“(D) any land held by incorporated Native groups, regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.); and

“(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State.

“(11) **INDIAN TRIBE.**—The term ‘Indian tribe’ means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

“(12) **INSTITUTION OF HIGHER EDUCATION.**—The term ‘institution of higher education’ has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

“(13) **LOCAL EDUCATIONAL AGENCY.**—The term ‘local educational agency’ has the same meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

“(14) **NATIONAL SERVICE LAWS.**—The term ‘national service laws’ means this Act and the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

“(15) **OUT-OF-SCHOOL YOUTH.**—The term ‘out-of-school youth’ means an individual who—

“(A) has not attained the age of 27;

“(B) has not completed college or the equivalent thereof; and

“(C) is not enrolled in an elementary or secondary school or institution of higher education.

“(16) **PARTICIPANT.**—

“(A) **IN GENERAL.**—The term ‘participant’ means—

“(i) for purposes of subtitle C, an individual in an approved national service position; and

“(ii) for purposes of any other provision of this Act, an individual enrolled in a program that receives assistance under this title.

“(B) **RULE.**—A participant shall not be considered to be an employee of the program in which the participant is enrolled.

“(17) **PARTNERSHIP PROGRAM.**—The term ‘partnership program’ means a program through which an adult volunteer, a public or private nonprofit agency, an institution of higher education, or a business assists a local educational agency.

“(18) **PROGRAM.**—The term ‘program’, except when used as part of the term ‘academic program’, means a program described in section 111(a) (other than a program referred to in paragraph (3)(B) of such section), 117A(a), 119(b)(1), or 122(a), in paragraph (1) or (2) of section 152(b), or in section 198.

“(19) **PROJECT.**—The term ‘project’ means an activity, carried out through a program that receives assistance under this title, that results in a specific identifiable service or improvement that otherwise would not be done with existing funds, and that does not duplicate the routine services or functions of the employer to whom participants are assigned.

“(20) **SCHOOL-AGE YOUTH.**—The term ‘school-age youth’ means an individual who is—

“(A) between the ages of 5 and 17, inclusive; or

“(B) a child with a disability covered by the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

“(21) **SECONDARY SCHOOL.**—The term ‘secondary school’ has the same meaning given such term in section 1471(21) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)).

“(22) **SERVICE-LEARNING.**—The term ‘service-learning’ means a method—

“(A) under which students or participants learn and develop through active participation in thoughtfully organized service that—

“(i) is conducted in and meets the needs of a community;

“(ii) is coordinated with an elementary school, secondary school, institution of higher education, or community service program, and with the community; and

“(iii) helps foster civic responsibility; and

“(B) that—

“(i) is integrated into and enhances the academic curriculum of the students, or the educational components of the community service program in which the participants are enrolled; and

“(ii) provides structured time for the students or participants to reflect on the service experience.

“(23) **SERVICE-LEARNING COORDINATOR.**—The term ‘service-learning coordinator’ means an individual who provides services as described in section subsection (a)(3) or (b) of section 111.

“(24) **SERVICE SPONSOR.**—The term ‘service sponsor’ means an organization, or other entity, that has been selected to provide a placement for a participant.

“(25) **STATE.**—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The term also includes Palau, until such time as the Compact of Free Association is ratified.

“(26) **STATE COMMISSION.**—The term ‘State Commission’ means a State Commission on National Service maintained by a State pursuant to section 178. Except when used in section 178, the term includes an alternative administrative entity for a State approved by the Corporation under such section to act in lieu of a State Commission.

“(27) **STATE EDUCATIONAL AGENCY.**—The term ‘State educational agency’ has the same meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(23)).

“(28) **STUDENT.**—The term ‘student’ means an individual who is enrolled in an elementary or secondary school or institution of higher education on a full- or part-time basis.”.

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Section 182(a)(2) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(2)) is amended by striking “adult volunteer and partnership” each place the term appears and inserting “partnership”.

(2) Section 182(a)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(3)) is amended by striking “adult volunteer and partnership” and inserting “partnership”.

(3) Section 441(c)(2) of the Higher Education Act of 1965 (42 U.S.C. 2751(c)(2)) is amended by striking “service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990” and inserting “a project, as defined in section 101(19) of the National and Community Service Act of 1990 (42 U.S.C. 12511(18))”.

(4) Section 1122(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1137a(a)(2)(C)) is amended by striking "youth corps as defined in section 101(30) of the National and Community Service Act of 1990" and inserting "youth corps programs, as described in section 122(a)(1) of the National and Community Service Act of 1990".

(5) Section 1201(p) of the Higher Education Act of 1965 (20 U.S.C. 1141(p)) is amended by striking "section 101(22) of the National and Community Service Act of 1990" and inserting "section 101(22) of the National and Community Service Act of 1990 (42 U.S.C. 12511(21))".

SEC. 112. AUTHORITY TO MAKE STATE GRANTS.

Section 102 of the National and Community Service Act of 1990 (42 U.S.C. 12512) is repealed.

SEC. 113. FAMILY AND MEDICAL LEAVE.

(a) **IN GENERAL.**—Section 171 of the National and Community Service Act of 1990 (42 U.S.C. 12631) is amended to read as follows:

"SEC. 171. FAMILY AND MEDICAL LEAVE.

"(a) PARTICIPANTS IN PRIVATE, STATE, AND LOCAL PROJECTS.—For purposes of title 1 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), if—

"(1) a participant has provided service for the period required by section 101(2)(A)(i) (29 U.S.C. 2611(2)(A)(i)), and has met the hours of service requirement of section 101(2)(A)(ii), of such Act with respect to a project; and

"(2) the service sponsor of the project is an employer described in section 101(4) of such Act (other than an employing agency within the meaning of subchapter V of chapter 63 of title 5, United States Code),

the participant shall be considered to be an eligible employee of the service sponsor.

"(b) PARTICIPANTS IN FEDERAL PROJECTS.—For purposes of subchapter V of chapter 63 of title 5, United States Code, if—

"(1) a participant has provided service for the period required by section 6381(1)(B) of such title with respect to a project; and

"(2) the service sponsor of the project is an employing agency within the meaning of such subchapter,

the participant shall be considered to be an employee of the service sponsor."

(b) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 171 of such Act and inserting the following:

"Sec. 171. Family and medical leave."

SEC. 114. REPORTS.

Section 172 of the National and Community Service Act of 1990 (42 U.S.C. 12632) is amended—

(1) in subsection (a)(3)(A), by striking "sections 177 and 113(9)" and inserting "section 177"; and

(2) in subsection (b)(1), by striking "this title" and inserting "the national service laws".

SEC. 115. NONDISCRIMINATION.

Section 175 of the National and Community Service Act of 1990 (42 U.S.C. 12635) is amended to read as follows:

"SEC. 175. NONDISCRIMINATION.

"(a) IN GENERAL.—

"(1) **BASIS.**—An individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate against a participant in, or member of the staff of, such project on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) **DEFINITION.**—As used in paragraph (1), the term "qualified individual with a disability" has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this title shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) **IN GENERAL.**—Except as provided in paragraph (2), an individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate on the basis of religion against a participant in such project or a member of the staff of such project who is paid with funds received under this title.

"(2) **EXCEPTION.**—Paragraph (1) shall not apply to the employment, with assistance provided under this title, of any member of the staff, of a project that receives assistance under this title, who was employed with the organization operating the project on the date the grant under this title was awarded.

"(d) **RULES AND REGULATIONS.**—The Chairperson shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 116. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) **DECERTIFICATION OF POSITIONS.**—Section 176(a) of the National and Community Service Act of 1990 (42 U.S.C. 12636(a)) is amended—

(1) in paragraph (1), by inserting "or revoke the designation of positions, related to the grant or contract, as approved national service positions," before "whenever the Commission"; and

(2) in paragraph (2)(B), by inserting "or revoked" after "terminated".

(b) **CONSTRUCTION.**—Section 176(e) of such Act (42 U.S.C. 12636(e)) is amended by adding before the period the following "other than assistance provided pursuant to this Act".

(c) **GRIEVANCE PROCEDURE.**—Section 176(f) of such Act is amended to read as follows:

"(f) GRIEVANCE PROCEDURE.—

"(1) **IN GENERAL.**—A State or local applicant that receives assistance under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants, labor organizations, and other interested individuals concerning projects that receive assistance under this title, including grievances regarding proposed placements of such participants in such projects.

"(2) **DEADLINE FOR GRIEVANCES.**—Except for a grievance that alleges fraud or criminal activity, a grievance shall be made not later than 1 year after the date of the alleged occurrence of the event that is the subject of the grievance.

"(3) **DEADLINE FOR HEARING AND DECISION.**—

"(A) **HEARING.**—A hearing on any grievance conducted under this subsection shall be conducted not later than 30 days after the filing of such grievance.

"(B) **DECISION.**—A decision on any such grievance shall be made not later than 60 days after the filing of such grievance.

"(4) **ARBITRATION.**—

"(A) **IN GENERAL.**—

"(i) **JOINTLY SELECTED ARBITRATOR.**—In the event of a decision on a grievance that is adverse to the party who filed such grievance, or 60 days after the filing of such grievance if no decision has been reached, such party shall be permitted to submit such grievance to binding arbitration before a qualified arbitrator who is jointly selected and independent of the interested parties.

"(ii) **APPOINTED ARBITRATOR.**—If the parties cannot agree on an arbitrator, the Chairperson

shall appoint an arbitrator from a list of qualified arbitrators within 15 days after receiving a request for such appointment from one of the parties to the grievance.

"(B) **DEADLINE FOR PROCEEDING.**—An arbitration proceeding shall be held not later than 45 days after the request for such arbitration proceeding, or, if the arbitrator is appointed by the Chairperson in accordance with subparagraph (A)(ii), not later than 30 days after the appointment of such arbitrator.

"(C) **DEADLINE FOR DECISION.**—A decision concerning a grievance shall be made not later than 30 days after the date such arbitration proceeding begins.

"(D) **COST.**—

"(i) **IN GENERAL.**—Except as provided in clause (ii), the cost of an arbitration proceeding shall be divided evenly between the parties to the arbitration.

"(ii) **EXCEPTION.**—If a participant, labor organization, or other interested individual described in paragraph (1) prevails under a binding arbitration proceeding, the State, local agency, public or private nonprofit organization, or partnership of such agencies and organizations, that is a party to such grievance shall pay the total cost of such proceeding and the attorneys' fees of such participant, labor organization, or individual, as the case may be.

"(5) **PROPOSED PLACEMENT.**—If a grievance is filed regarding a proposed placement of a participant in a project that receives assistance under this title, such placement shall not be made unless the placement is consistent with the resolution of the grievance pursuant to this subsection.

"(6) **REMEDIES.**—Remedies for a grievance filed under this subsection include—

"(A) suspension of payments for assistance under this title;

"(B) termination of such payments;

"(C) prohibition of the placement described in paragraph (5); and

"(D) in a case in which the grievance involves a violation of subsection (a) or (b) of section 177 and the employer of the displaced employee is the recipient of assistance under this title—

"(i) reinstatement of the displaced employee to the position held by such employee prior to displacement;

"(ii) payment of lost wages and benefits of the displaced employee;

"(iii) reestablishment of other relevant terms, conditions, and privileges of employment of the displaced employee; and

"(iv) such equitable relief as is necessary to correct any violation of subsection (a) or (b) of section 177 or to make the displaced employee whole.

"(7) **ENFORCEMENT.**—Suits to enforce arbitration awards under this section may be brought in any district court of the United States having jurisdiction of the parties, without regard to the amount in controversy and without regard to the citizenship of the parties."

SEC. 117. NONDISPLACEMENT.

Section 177(b)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12637(b)(3)) is amended—

(1) in subparagraph (B), to read as follows:

"(B) **SUPPLANTATION OF HIRING.**—A participant in any program receiving assistance under this title shall not perform any services or duties, or engage in activities, that—

"(i) will supplant the hiring of employed workers; or

"(ii) are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.";

(2) in subparagraph (C)(iii), to read as follows:

"(iii) employee who—

"(I) is subject to a reduction in force; or
 "(II) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures";.

SEC. 118. EVALUATION.

Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended—

(1) in subsection (a)—
 (A) in the matter preceding paragraph (1), by striking "this title" and inserting "the national service laws"; and

(B) in paragraph (2)—
 (i) in the matter preceding subparagraph (A), by striking "for purposes of the reports required by subsection (j)," and inserting "with respect to the programs authorized under subtitle C"; and

(ii) in subparagraph (A), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs";

(2) in subsection (g)—
 (A) in the matter preceding paragraph (1), by striking "subtitle D" and inserting "subtitle C"; and

(B) in paragraphs (3) and (9), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs"; and

(3) by striking subsections (i) and (j).

SEC. 119. ENGAGEMENT OF PARTICIPANTS.

Section 180 of the National and Community Service Act of 1990 (42 U.S.C. 12640) is amended by striking "post-service benefits" and inserting "national service educational awards".

SEC. 120. CONTINGENT EXTENSION.

(a) IN GENERAL.—Section 181 of the National and Community Service Act of 1990 (42 U.S.C. 12641) is amended to read as follows:

"SEC. 181. CONTINGENT EXTENSION.

"Section 414 of the General Education Provisions Act (20 U.S.C. 1226a) shall apply to this Act."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to sections 181 of such Act and inserting the following:

"Sec. 181. Contingent extension."

SEC. 121. REPEALS.

(a) IN GENERAL.—Subtitle F of title I of the National and Community Service Act of 1990 (42 U.S.C. 12631 et seq.) is amended—

(1) by repealing sections 183, 185, and 186; and

(2) by redesignating section 184 as section 183.

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to sections 183, 184, and 185 of such Act and inserting the following:

"Sec. 183. Drug-free workplace requirements."

TITLE II—ORGANIZATION

SEC. 201. STATE COMMISSIONS ON NATIONAL SERVICE.

(a) COMPOSITION AND DUTIES OF STATE COMMISSIONS.—Subtitle F of title I of the National and Community Service Act of 1990 is amended by striking section 178 (42 U.S.C. 12638) and inserting the following new section:

"SEC. 178. STATE COMMISSIONS ON NATIONAL SERVICE.

"(a) EXISTENCE REQUIRED.—

"(1) STATE COMMISSION.—Except as provided in paragraph (2), to be eligible to receive a grant or allotment under subtitle B or C or to receive a distribution of approved national service positions under subtitle C, a State shall maintain a State Commission on National Service that satisfies the requirements of this section.

"(2) ALTERNATIVE ADMINISTRATIVE ENTITY.—The chief executive officer of a State may apply to the Corporation for approval to use an alter-

native administrative entity to carry out the duties otherwise entrusted to a State Commission under this Act. The chief executive officer shall ensure that any alternative administrative entity used in lieu of a State Commission still provides for the individuals described in paragraphs (1) and (2) of subsection (c) to play a significant policy-making role in carrying out the duties otherwise entrusted to a State Commission, including the submission of applications on behalf of the State under sections 117B and 130.

"(b) APPOINTMENT AND SIZE.—Except as provided in subsection (c)(3), the members of a State Commission for a State shall be appointed by the chief executive officer of the State. A State Commission shall consist of not less than 15 voting members.

"(c) COMPOSITION AND MEMBERSHIP.—

"(1) REQUIRED MEMBERS.—The State Commission for a State shall include as voting members at least one of each of the following individuals:

"(A) An individual with expertise in the educational, training, and development needs of youth, particularly disadvantaged youth.

"(B) An individual with experience in promoting the involvement of older Americans in service and voluntarism.

"(C) A representative of community action agencies and community-based organizations within the State, particularly those agencies and organizations that—

"(i) are located in areas of the State with high rates of poverty;

"(ii) provide a comprehensive range of services to economically disadvantaged individuals and families;

"(iii) have a demonstrated record of effectiveness; and

"(iv) are governed by a board composed in significant part of economically disadvantaged individuals.

"(D) A youth who is or has been a participant in a service program.

"(E) An individual with expertise in the delivery of human, educational, environmental, or public safety services to communities and persons.

"(F) The head of the State educational agency.

"(G) A representative of local governments in the State.

"(H) A representative of local labor organizations in the State.

"(I) Representatives of business.

"(2) ADDITIONAL MEMBERS.—The State Commission for a State may also include as voting members the following individuals:

"(A) Representatives of entities which receive assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(B) Educators.

"(C) Individuals who are recognized for their outstanding contributions as volunteers in service to their community, State, and Nation.

"(3) CORPORATION REPRESENTATIVE.—The representative of the Corporation designated under section 195(b) for a State shall be a voting member of the State Commission for that State.

"(4) EX OFFICIO STATE REPRESENTATIVES.—The chief executive officer of a State may appoint as nonvoting ex officio members of the State Commission for the State representatives selected from among officers and employees of State agencies operating community service, youth service, education, social service, senior service, and job training programs.

"(5) LIMITATION ON NUMBER OF STATE EMPLOYEES AS MEMBERS.—The number of voting members of a State Commission selected under paragraph (1) or (2) who are officers or employees of the State may not exceed 25 percent (reduced to the nearest whole number) of the total membership of the State Commission.

"(d) MISCELLANEOUS MATTERS.—

"(1) MEMBERSHIP BALANCE.—The chief executive officer of a State shall ensure that the membership of the State Commission for the State is balanced according to race, ethnic background, age, and gender. Not more than 50 percent of the voting members of a State Commission, plus 1 additional member, may be from the same political party.

"(2) TERMS.—Each member of the State Commission for a State shall serve for a term of 3 years, except that the chief executive officer of a State shall initially appoint a portion of the members to terms of 1 year and 2 years.

"(3) VACANCIES.—As vacancies occur on a State Commission, new members shall be appointed by the chief executive of the State and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the State Commission.

"(4) COMPENSATION.—A member of a State Commission shall not receive any additional compensation by reason of service on the State Commission, except that the State may authorize the reimbursement of travel expenses, including a per diem in lieu of subsistence, in the same manner as other employees serving intermittently in the service of the State.

"(5) CHAIRPERSON.—The voting members of a State Commission shall elect one of the voting members to serve as chairperson of the State Commission.

"(e) DUTIES OF A STATE COMMISSION.—The State Commission for a State shall be responsible for the following duties:

"(1) Preparation of a national service plan for the State that—

"(A) is developed through an open and public process (such as through regional forums, hearings, and other means) that provides for maximum participation and input from existing national service programs within the State and other interested members of the public;

"(B) covers a 3-year period;

"(C) is updated annually; and

"(D) contains such information as the State Commission considers to be appropriate or as the Corporation may require.

"(2) Preparation of the applications of the State under sections 117B and 130 for financial assistance.

"(3) Assistance in the preparation of the application of the State educational agency for assistance under section 113.

"(4) Preparation of the application of the State under section 130 for the approval of service positions that include the national service educational award described in subtitle D.

"(5) Make recommendations to the Corporation with respect to priorities for programs receiving assistance under the Domestic Volunteer Service Act of 1973.

"(6) Make technical assistance available to enable applicants under section 121—

"(A) to plan and implement service programs; and

"(B) to apply for assistance under the national service laws using, if appropriate, information and materials available through a clearinghouse established under section 198A.

"(7) Assistance in the provision of health care and child care benefits under section 140 to participants in national service programs that receive assistance under section 121.

"(8) Development of a State system for the recruitment and placement of participants in national service programs that receive assistance under the national service laws and dissemination of information concerning national service programs that receive assistance and approved national service positions.

"(9) Administration of the grant program in support of national service programs that is conducted by the State using assistance provided to

the State under section 121, including selection, oversight, and evaluation of grant recipients.

"(10) Development of projects, training methods, curriculum materials, and other materials and activities related to national service programs that receive assistance from the State using assistance provided under section 121.

"(f) ACTIVITY INELIGIBLE FOR ASSISTANCE.—A State Commission may not directly carry out any national service program that receives assistance under section 121.

"(g) DELEGATION.—Subject to such requirements as the Corporation may prescribe, a State Commission may delegate nonpolicymaking duties to a State agency or public or private nonprofit organization.

"(h) APPROVAL OF STATE COMMISSION OR ALTERNATIVE.—

"(1) SUBMISSION TO CORPORATION.—The chief executive officer for a State shall notify the Corporation of the establishment or designation of the State Commission for the State. The notification shall include a description of—

"(A) the composition and membership of the State Commission; and

"(B) the authority of the State Commission regarding national service activities carried out by the State.

"(2) APPROVAL OF ALTERNATIVE ADMINISTRATIVE ENTITY.—Any use of an alternative administrative entity to carry out the duties of a State Commission shall be subject to the approval of the Corporation.

"(3) REJECTION.—The Corporation may reject a State Commission if the Corporation determines that the composition, membership, or duties of the State Commission do not comply with the requirements of this section. The Corporation shall reject a request to use an alternative administrative entity in lieu of a State Commission if the Corporation determines that use of the alternative administrative entity does not allow the individuals described in paragraphs (1) and (2) of subsection (c) to play a significant policy-making role in carrying out the duties otherwise entrusted to a State Commission. If the Corporation rejects a State Commission or alternative administrative entity under this paragraph, the Corporation shall promptly notify the State of the reasons for the rejection.

"(4) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State notified under paragraph (3) with a reasonable opportunity to revise the rejected State Commission or alternative administrative entity. At the request of the State, the Corporation shall provide technical assistance to the State as part of the revision process. The Corporation shall promptly reconsider any resubmission of a notification under paragraph (1) or application to use an alternative administrative entity under paragraph (2).

"(5) SUBSEQUENT CHANGES.—This subsection shall also apply to any change in the composition or duties of a State Commission or an alternative administrative entity made after approval of the State Commission or the alternative administrative entity."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 178 and inserting the following new item:

"Sec. 178. State Commissions on National Service."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) TRANSITIONAL PROVISIONS.—

(1) USE OF ALTERNATIVES TO STATE COMMISSION.—If a State does not have a State Commission on National Service that satisfies the requirements specified in section 178 of the National and Community Services Act of 1990, as

amended by subsection (a), the Corporation for National Service may authorize the chief executive officer of the State to use an existing agency of the State to perform the duties otherwise reserved to a State Commission under subsection (e) of such section.

(2) APPLICATION OF SUBSECTION.—This subsection shall apply only during the 18-month period beginning on the date of the enactment of this Act.

SEC. 202. INTERIM AUTHORITIES OF THE CORPORATION FOR NATIONAL SERVICE AND ACTION AGENCY.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Subtitle G of title I of the National and Community Service Act of 1990 (42 U.S.C. 12651) is amended to read as follows:

"Subtitle G—Corporation for National Service
"SEC. 191. CORPORATION FOR NATIONAL SERVICE.

"There is established a Corporation for National Service that shall administer the programs established under this Act. The Corporation shall be a Government corporation, as defined in section 103 of title 5, United States Code.

"SEC. 192. BOARD OF DIRECTORS.

"(a) COMPOSITION.—

"(1) IN GENERAL.—There shall be in the Corporation a Board of Directors (referred to in this subtitle as the 'Board') that shall be composed of—

"(A) not less than 15 members, including the Chairperson appointed under section 193, to be appointed by the President, by and with the advice and consent of the Senate; and

"(B) the ex officio members described in paragraph (4).

"(2) QUALIFICATIONS.—To the maximum extent practicable, the President shall appoint members—

"(A) who have extensive experience in volunteer and service programs, including programs funded under one of the national service laws, and in State government;

"(B) who represent a broad range of viewpoints;

"(C) who are experts in the delivery of human, educational, environmental, or public safety services;

"(D) so that the Board shall be diverse according to race, ethnicity, age, and gender; and

"(E) so that no more than 50 percent of the appointed members of the Board, plus 1 additional appointed member, are from a single political party.

"(3) EX OFFICIO MEMBERS.—The Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Housing and Urban Development, the Secretary of Defense, the Attorney General, the Director of the Peace Corps, and the Administrator of the Environmental Protection Agency shall serve as ex officio nonvoting members of the Board.

"(b) TERMS.—Each appointed member of the Board shall serve for a term of 5 years, except that, as designated by the President—

"(1) 3 of the members first appointed to the Board shall serve for a term of 1 year;

"(2) 3 of the members first appointed to the Board shall serve for a term of 2 years;

"(3) 3 of the members first appointed to the Board shall serve for a term of 3 years;

"(4) 3 of the members first appointed to the Board shall serve for a term of 4 years; and

"(5) the remainder of the members first appointed to the Board shall serve for a term of 5 years.

"(c) VACANCIES.—As vacancies occur on the Board, new members shall be appointed by the President, by and with the advice and consent of the Senate, and serve for the remainder of the

term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

"SEC. 192A. AUTHORITIES AND DUTIES OF THE BOARD OF DIRECTORS.

"(a) MEETINGS.—The Board shall meet not less than 3 times each year. The Board shall hold additional meetings at the call of the Chairperson or if a majority of the members of the Board request such meetings in writing. In addition, the Board (or designated members of the Board) shall conduct periodic public hearings throughout the United States to examine and review operation of the national service laws.

"(b) QUORUM.—A majority of the appointed members of the Board shall constitute a quorum.

"(c) OFFICERS.—

"(1) VICE CHAIRPERSON.—The Board shall elect a Vice Chairperson from among its membership. The Vice Chairperson may conduct meetings of the Board in the absence of the Chairperson.

"(2) OTHER OFFICERS.—The Board may elect from among its membership such additional officers of the Board as the Board determines to be appropriate.

"(d) INSPECTOR GENERAL OVERSIGHT COMMITTEE.—The Board shall establish an Inspector General oversight committee (referred to in this subtitle as the 'oversight committee'). Such committee shall be comprised of the Vice Chairperson and two members selected by the Vice Chairperson. The Chairperson shall not serve on the oversight committee.

"(e) EXPENSES.—While away from their homes or regular places of business on the business of the Board, members of such Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter 1 of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

"(f) SPECIAL GOVERNMENT EMPLOYEES.—For purposes of the provisions of chapter 11 of part 1 of title 18, United States Code, and any other provision of Federal law, a member of the Board (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

"(g) STATUS OF MEMBERS.—

"(1) OTHER CLAIMS.—A member of the Board has no personal liability under Federal law with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the Board, in connection with any transaction involving the provision of financial assistance by the Corporation. This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the Board.

"(2) EFFECT ON OTHER LAW.—This subsection shall not be construed—

"(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such transactions;

"(B) to affect any other right or remedy against the Corporation, against the United States under applicable law, or against any person other than a member of the Board participating in such transactions; or

"(C) to limit or alter in any way the immunities that are available under applicable law for Federal officials and employees not described in this subsection.

"(h) DUTIES.—The Board shall—

"(1) prepare a strategic plan every 3 years, and annual updates of the plan, for the Corporation with respect to the grants, allotments,

contracts, assistance, and payments made by the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act;

"(2) make recommendations with respect to the regulations established under section 195(b)(3)(A);

"(3)(A) review the actions of the Chairperson with respect to—

"(i) grants, allotments, contracts, assistance, and payments made by the Corporation;

"(ii) the personnel of the Corporation; and

"(iii) the standards, policies, procedures, programs, and initiatives of the Corporation; and

"(B) inform the Chairperson of any aspects of the actions of the Chairperson that are not in compliance with the annual strategic plan described in paragraph (1) or the recommendations described in paragraph (2), or are not consistent with the objectives of this Act;

"(4) receive reports issued by the Inspector General of the Corporation and review actions taken by the Chairperson with respect to such reports;

"(5) review the evaluation of programs established under this Act, in accordance with section 179;

"(6) make recommendations for research with respect to national and community service programs, including service-learning programs;

"(7) advise the President and the Congress concerning developments in national and community service that merit the attention of the President and the Congress;

"(8) disseminate information regarding the programs and initiatives of the Corporation; and

"(9) carry out any other activities determined to be appropriate by the Chairperson.

"SEC. 193. CHAIRPERSON AND DIRECTOR.

"(a) **APPOINTMENT.**—The Corporation shall be headed by an individual who shall serve as Chairperson of the Board and as Director of the Corporation, and who shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) **COMPENSATION.**—The Chairperson shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(c) **REGULATIONS.**—The Chairperson shall prescribe such rules and regulations as are necessary or appropriate to carry out this Act.

"SEC. 193A. AUTHORITIES AND DUTIES OF THE CHAIRPERSON.

"(a) **GENERAL POWERS AND DUTIES.**—The Chairperson shall be responsible for the exercise of the powers and the discharge of the duties of the Corporation that are not reserved to the Board, and shall have authority and control over all personnel of the Corporation.

"(b) **DUTIES.**—In addition to the duties conferred on the Chairperson under any other provision of this Act, the Chairperson shall—

"(1) submit a proposal to the Board regarding, and establish, such standards, policies, and procedures, as are necessary or appropriate to carry out this Act;

"(2) establish and administer such programs and initiatives as the Chairperson, acting on the recommendation of the Board, may determine to be necessary or appropriate to carry out this Act;

"(3) consult with appropriate Federal agencies in administering such programs and initiatives;

"(4) on the recommendation of the Board, suspend or terminate payments and positions provided pursuant to the national service laws, in accordance with section 176;

"(5) prepare and submit to the Board an annual report, and such interim reports as may be necessary, describing the major actions of the Chairperson with respect to the personnel of the

Corporation, and with respect to such standards, policies, procedures, programs, and initiatives;

"(6) notify, and provide an explanation to, the Board regarding any substantial differences between the actions of the Chairperson and the strategic plan described in section 192A(h)(2); and

"(7) prepare and submit to the appropriate committees of Congress an annual report, and such interim reports as may be necessary, describing—

"(A) the services referred to in paragraph (1), and the money and property referred to in paragraph (2), of section 196(a) that have been accepted by the Corporation; and

"(B) the manner in which the Corporation used or disposed of such services, money, and property.

"(c) **POWERS.**—In addition to the authority conferred on the Chairperson under any other provision of this Act, the Chairperson may—

"(1) establish, alter, consolidate, or discontinue such organizational units or components within the Corporation as the Chairperson considers necessary or appropriate;

"(2) with the approval of the President—

"(A) arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act; and

"(B) as necessary or appropriate—

"(i) delegate any of the functions of the Chairperson under this Act, or, with the permission of the Board, any of the functions of the Board under this Act, to such heads of Federal agencies; and

"(ii) authorize the redelegation of such functions,

subject to provisions to assure the maximum possible liaison between the Corporation and such other agencies at all operating levels;

"(3) with their consent, utilize the services and facilities of Federal agencies with or without reimbursement, and, with the consent of any State, or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions without reimbursement;

"(4) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act, including expenditure for construction, repairs, and capital improvements;

"(5) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as the Chairperson shall determine to be appropriate to public agencies, private organizations, and the general public;

"(6) collect or compromise all obligations to or held by the Chairperson and all legal or equitable rights accruing to the Chairperson in connection with the payment of obligations in accordance with chapter 37 of title 31, United States Code (commonly known as the 'Federal Claims Collection Act of 1966');

"(7) expend funds made available for purposes of this Act, without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Chairperson;

"(8) file a civil action in any court of record of a State having general jurisdiction or in any district court of the United States, with respect to a claim arising under this Act;

"(9) exercise the authorities of the Corporation under section 196; and

"(10) generally perform such functions and take such steps consistent with the objectives and provisions of this Act, as the Chairperson determines to be necessary or appropriate to carry out such provisions.

"(d) **DELEGATION.**—

"(1) **DEFINITION.**—As used in this subsection, the term 'function' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

"(2) **IN GENERAL.**—Except as otherwise prohibited by law or provided in this Act, the Chairperson may delegate any function under this Act, and authorize such successive redelegations of such function as may be necessary or appropriate. No delegation of a function by the Chairperson under this subsection or under any other provision of this Act shall relieve such Chairperson of responsibility for the administration of such function.

"(3) **FUNCTION OF BOARD.**—The Chairperson may not delegate a function of the Board without the permission of the Board.

"(e) **ACTIONS.**—In an action described in subsection (c)(8)—

"(1) a district court referred to in such subsection shall have jurisdiction of such a civil action without regard to the amount in controversy;

"(2) such an action brought by the Chairperson shall survive notwithstanding any change in the person occupying the office of Chairperson or any vacancy in that office;

"(3) no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Chairperson or the Board or property under the control of the Chairperson or the Board; and

"(4) nothing in this section shall be construed to except litigation arising out of activities under this Act from the application of sections 509, 517, 547, and 2679 of title 28, United States Code.

"SEC. 194. OFFICERS.

"(a) **MANAGING DIRECTORS.**—

"(1) **IN GENERAL.**—There shall be in the Corporation 2 Managing Directors, who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) **COMPENSATION.**—The Managing Directors shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) **DUTIES.**—

"(A) **FEDERAL PROGRAMS.**—One of the Managing Directors shall be primarily responsible for the Federal programs carried out by the Corporation.

"(B) **INVESTMENT PROGRAMS.**—The other Managing Director shall be primarily responsible for the financial assistance programs carried out by the Corporation.

"(b) **INSPECTOR GENERAL.**—There shall be in the Corporation an Office of Inspector General as provided in section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.).

"(c) **CHIEF FINANCIAL OFFICER.**—

"(1) **OFFICE.**—There shall be in the Corporation a Chief Financial Officer, who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) **COMPENSATION.**—The Chief Financial Officer shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) **DUTIES.**—The Chief Financial Officer shall—

"(A) report directly to the Chairperson regarding financial management matters;

"(B) oversee all financial management activities relating to the programs and operations of the Corporation;

"(C) develop and maintain an integrated accounting and financial management system for the Corporation, including financial reporting and internal controls;

"(D) develop and maintain any joint financial management systems with the Department of Education necessary to carry out the programs of the Corporation; and

"(E) direct, manage, and provide policy guidance and oversight of the financial management personnel, activities, and operations of the Corporation.

"SEC. 194A. CORPORATION STATE OFFICES.

"(a) **IN GENERAL.**—The Chairperson shall establish and maintain a decentralized field structure which provides for an office of the Corporation for each State which is located in or in reasonable proximity of each such State. Such State office may be directed by the State Corporation representative designated under section 195(b)(1).

"(b) **DUTIES.**—Each State office established pursuant to subsection (a) shall—

"(1) provide to the State Commissions established under section 178 technical and other assistance for the development and implementation of State service plans;

"(2) provide to community-based agencies and other entities within the State technical assistance for the preparation of applications for assistance under the national service laws, utilizing, as appropriate, information and materials provided by the clearinghouses established pursuant to section 198A;

"(3) provide to the State Commission and other entities within the State support and technical assistance necessary to assure that there is an effective system of recruitment, placement, and training of volunteers within the State;

"(4) monitor and evaluate the performance of all programs and projects within the State which receive assistance under the national service laws; and

"(5) perform such other duties and functions which may be assigned or delegated by the Chairperson.

"SEC. 195. EMPLOYEES, CONSULTANTS, AND OTHER PERSONNEL.

"(a) **EMPLOYEES.**—

"(1) **IN GENERAL.**—Except as provided in paragraph (2) and subsections (b) and (c), the Chairperson shall, in accordance with applicable provisions of title 5 of the United States Code, appoint and determine the compensation of such employees as the Chairperson determines to be necessary to carry out the duties of the Corporation.

"(2) **ASSISTANT DIRECTORS FOR VISTA AND NATIONAL SENIOR VOLUNTEER CORPS.**—

"(A) **APPOINTMENT.**—The Managing Director primarily responsible for the Federal programs carried out by the Corporation (appointed pursuant to section 194(a)) shall, in accordance with applicable provisions of title 5 of the United States Code, appoint 4 Assistant Directors who shall report directly to such Managing Director, of which—

"(i) 1 Assistant Director shall be responsible for parts A and B of title I of the Domestic Volunteer Service Act of 1973 (the Volunteers in Service to America (VISTA) program) and other antipoverty programs under title I of that Act;

"(ii) 1 Assistant Director shall be responsible for part A of title II of that Act (relating to the Retired Senior Volunteer Program);

"(iii) 1 Assistant Director shall be responsible for part B of title II of that Act (relating to the Foster Grandparent Program); and

"(iv) 1 Assistant Director shall be responsible for part C of title II of that Act (relating to the Senior Companion Program).

"(B) **EFFECTIVE DATE FOR EXERCISE OF AUTHORITY.**—Each Assistant Director appointed pursuant to subparagraph (A) may exercise the authority assigned to each such Director only after the effective date of section 203(b) of the National Service Trust Act of 1993.

"(b) **ALTERNATIVE PERSONNEL SYSTEM.**—

"(1) **AUTHORITY.**—To the extent the Chairperson determines it appropriate and desirable to further the effective operation of the Corporation, the Chairperson may designate posi-

tions in the Corporation to which appointments may be made and for which compensation may be determined without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The Chairperson may provide for appointments to such positions to be made on a limited term basis.

"(2) **APPOINTMENT IN THE COMPETITIVE SERVICE AFTER EMPLOYMENT UNDER ALTERNATIVE PERSONNEL SYSTEM.**—The Director of the Office of Personnel Management may grant competitive status for appointment to the competitive service, under such conditions as the Director may prescribe, to an employee who is appointed under this subsection and who is separated from the Corporation (other than by removal for cause).

"(3) **SELECTION AND COMPENSATION SYSTEM.**—

"(A) **ESTABLISHMENT OF SYSTEM.**—The Chairperson, after reviewing the recommendations of the Board under section 192A(h)(2), and after obtaining the approval of the Director of the Office of Personnel Management, shall issue regulations establishing a selection and compensation system for employees of the Corporation appointed under paragraph (1). In issuing such regulations, the Chairperson shall take into consideration the need for flexibility in such a system.

"(B) **APPLICATION.**—The Chairperson shall appoint and determine the compensation of employees in accordance with the selection and compensation system established under subparagraph (A).

"(C) **SELECTION.**—The system established under subparagraph (A) shall provide for the selection of employees—

"(i) through a competitive process; and

"(ii) on the basis of the qualifications of applicants and the requirements of the positions.

"(D) **COMPENSATION.**—The system established under subparagraph (A) shall include a scheme for the classification of positions in the Corporation. The system shall require that the compensation of an employee be determined in part on the basis of the job performance of the employee, and in a manner consistent with the principles described in section 5301 of title 5, United States Code. The rate of compensation for each employee compensated under the system shall not exceed the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(c) **CORPORATION REPRESENTATIVE IN EACH STATE.**—

"(1) **APPOINTMENT OF REPRESENTATIVE.**—The Chairperson shall, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint an employee to serve as the representative of the Corporation for each State or group of States to assist the Corporation in carrying out the activities described in this Act in the State or States.

"(2) **DUTIES.**—The representative appointed under this subsection for a State or group of States shall serve as the liaison between—

"(A) the Corporation and the State Commission that is established in the State or States; and

"(B) the Corporation and any subdivision of a State, Indian tribe, public or private nonprofit organization, or institution of higher education, in the State or States, that is awarded a grant under section 121 directly from the Corporation.

"(3) **MEMBER OF STATE COMMISSION.**—The representative appointed under this subsection for a State or group of States shall also serve as a voting member of the State Commission established in the State or States.

"(4) **COMPENSATION.**—

"(A) **IN GENERAL.**—The Chairperson may determine the compensation of representatives appointed under this subsection without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

"(B) **LIMITATION ON COMPENSATION.**—The rate of compensation for each representative appointed under this subsection shall not exceed the maximum rate of basic pay payable for GS-15 of the General Schedule under section 5332 of title 5, United States Code.

"(d) **CONSULTANTS.**—The Chairperson may procure the temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code.

"(e) **DETAILS OF PERSONNEL.**—The head of any Federal department or agency may detail on a reimbursable basis, or on a nonreimbursable basis for not to exceed 180 calendar days during any fiscal year, as agreed upon by the Chairperson and the head of the Federal agency, any of the personnel of that department or agency to the Corporation to assist the Corporation in carrying out the duties of the Corporation under this Act. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"(f) **ADVISORY COMMITTEES.**—

"(1) **ESTABLISHMENT.**—The Chairperson, acting upon the recommendation of the Board, may establish advisory committees in the Corporation to advise the Board with respect to national service issues, such as the type of programs to be established or assisted under the national service laws, priorities and criteria for such programs, and methods of conducting outreach for, and evaluation of, such programs.

"(2) **COMPOSITION.**—Such an advisory committee shall be composed of members appointed by the Chairperson, with such qualifications as the Chairperson may specify.

"(3) **EXPENSES.**—Members of such an advisory committee may be allowed travel expenses as described in section 192A(e).

"(4) **STAFF.**—The Chairperson is authorized to appoint and fix the compensation of such staff as the Chairperson determines to be necessary to carry out the functions of the advisory committee, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Such compensation shall not exceed the maximum rate of basic pay payable for GS-15 of the General Schedule under section 5332 of title 5, United States Code.

"SEC. 196. ADMINISTRATION.

"(a) **DONATIONS.**—

"(1) **SERVICES.**—

"(A) **VOLUNTEERS.**—Notwithstanding section 1342 of title 31, United States Code, the Corporation may solicit and accept the voluntary services of individuals to assist the Corporation in carrying out the duties of the Corporation under this Act, and may provide to such individuals the travel expenses described in section 192A(e).

"(B) **LIMITATION.**—Such a volunteer shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that for the purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, volunteers under this subtitle shall be considered to be employees, as defined in section 8101(1)(B) of title 5, United

States Code, and the provisions of such subchapter shall apply.

"(C) VOLUNTEER DEFINED.—For purposes of this paragraph, the term 'volunteer' does not include a participant.

"(2) PROPERTY.—

"(A) SOLICITATION AND ACCEPTANCE AUTHORIZED.—The Corporation may solicit, accept, hold, administer, use, and dispose of, in furtherance of the purposes of this Act, donations of any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise. Donations accepted under this subparagraph shall be used as nearly as possible in accordance with the terms, if any, of such donation.

"(B) STATUS OF CONTRIBUTION.—Any donation accepted under subparagraph (A) shall be considered to be a gift, devise, or bequest to, or for the use of, the United States.

"(C) RULES.—The Corporation shall establish written rules to ensure that the solicitation, acceptance, holding, administration, and use of donations described in subparagraph (A)—

"(i) will not reflect unfavorably upon the ability of the Corporation, or of any officer or employee of the Corporation, to carry out the responsibilities or official duties of the Corporation in a fair and objective manner; and

"(ii) will not compromise the integrity of the programs of the Corporation or any official or employee of the Corporation involved in such programs.

"(D) DISPOSAL.—Upon completion of the use by the Corporation of any donation accepted pursuant to subparagraph (A) (other than money or monetary proceeds from sales of property accepted), such completion shall be reported to the General Services Administration and such property shall be disposed of in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

"(b) CONTRACTS.—Subject to the Federal Property and Administrative Services Act of 1949, the Corporation may enter into contracts, and cooperative and interagency agreements, with Federal and State agencies, private firms, institutions, and individuals to conduct activities necessary to carry out the duties of the Corporation under this Act."

(b) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended by inserting after the second sentence the following: "The Director shall report directly to the Chairperson of the Corporation for National Service."

(c) TRANSFER OF FUNCTIONS OF COMMISSION ON NATIONAL AND COMMUNITY SERVICE.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context, each term specified in section 203(c)(1) shall have the meaning given the term in such section.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Corporation the functions that the Board of Directors or Executive Director of the Commission on National and Community Service exercised before the effective date of this subsection (including all related functions of any officer or employee of the Commission).

(3) APPLICATION.—The provisions of paragraphs (3) through (10) of section 203(c) shall apply with respect to the transfer described in paragraph (2), except that—

(A) for purposes of such application, references to the term "ACTION Agency" shall be deemed to be references to the Corporation; and

(B) paragraph (10) of such section shall not preclude the transfer of the members of the Board of Directors of the Commission to the Corporation if, on the effective date of this subsection, the Board of Directors of the Corporation has not been confirmed.

(d) CONTINUING PERFORMANCE OF CERTAIN FUNCTIONS.—The individuals who, on the day before the date of enactment of this Act, are performing any of the functions required by section 190 of the National and Community Service Act of 1990 (42 U.S.C. 12651), as in effect on such date, to be performed by the members of the Board of Directors of the Commission on National and Community Service may, subject to section 193A of the National and Community Service Act of 1990, as added by subsection (a) of this section, continue to perform such functions until the date on the Board of Directors of the Corporation for National Service conducts the first meeting of the Board. The service of such individuals as members of the Board of Directors of such Commission, and the employment of such individuals as special government employees, shall terminate on such date.

(e) GOVERNMENT CORPORATION CONTROL.—

(1) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (D) the following:

"(E) the Corporation for National Service."

(2) AUDITS.—Section 9105(a)(1) of title 31, United States Code, is amended by inserting "or under other Federal law," before "or by an independent".

(f) DISPOSAL OF PROPERTY.—Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following:

"(5)(A) Under such regulations as the Administrator may prescribe, the Administrator is authorized, in the discretion of the Administrator, to assign to the Chairperson of the Corporation for National Service for disposal such surplus property as is recommended by the Chairperson as being needed for national service activities.

"(B) Subject to the disapproval of the Administrator, within 30 days after notice to the Administrator by the Chairperson of a proposed transfer of property for such activities, the Chairperson, through such officers or employees of the Corporation as the Chairperson may designate, may sell, lease, or donate such property to any entity that receives financial assistance under the National and Community Service Act of 1990 for such activities.

"(C) In fixing the sale or lease value of such property, the Chairperson shall comply with the requirements of paragraph (1)(C)."

(g) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle G of title I of such Act and inserting the following:

"Subtitle G—Corporation for National Service
 "Sec. 191. Corporation for National Service.
 "Sec. 192. Board of Directors.
 "Sec. 192A. Authorities and duties of the Board of Directors.
 "Sec. 193. Chairperson and Director.
 "Sec. 193A. Authorities and duties of the Chairperson.
 "Sec. 194. Officers.
 "Sec. 194A. Corporation State offices.
 "Sec. 195. Employees, consultants, and other personnel.
 "Sec. 196. Administration."

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 1993.

(2) ESTABLISHMENT AND APPOINTMENT AUTHORITIES.—Sections 191, 192, and 193 of the National and Community Service Act of 1990, as added by subsection (a), shall take effect on the date of enactment of this Act.

SEC. 203. FINAL AUTHORITIES OF THE CORPORATION FOR NATIONAL SERVICE.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) APPLICATION.—Subtitle I of the National and Community Service Act of 1990 (as amended by section 202 of this Act) is amended in section 191, paragraphs (3) and (5) of section 192A(h), section 193(c), subsections (b), (c) (other than paragraph (8)), and (d) of section 193A, subsections (c) and (e) of section 195, and subsections (a) and (b) of section 196, by striking "this Act" each place the term appears and inserting "the national service laws".

(2) GRANTS.—Section 192A(h) of the National and Community Service Act of 1990 (as added by section 202 of this Act) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by redesignating paragraph (9) as paragraph (10); and

(C) by inserting after paragraph (8) the following:

"(9) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under the provisions of the Domestic Volunteer Service Act of 1973 (except as provided in section 108 of the Domestic Volunteer Service Act of 1973), which may provide that the agency or organization shall pay all or a part of the costs of the program; and".

(b) AUTHORITIES OF ACTION AGENCY.—Sections 401 and 402 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041 and 5042) are repealed.

(c) TRANSFER OF FUNCTIONS FROM ACTION AGENCY.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context—

(A) the term "Chairperson" means the Chairperson of the Corporation;

(B) the term "Corporation" means the Corporation for National Service, established under section 191 of the National and Community Service Act of 1990;

(C) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(D) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(E) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Corporation the functions that the Director of the ACTION Agency exercised before the effective date of this subsection (including all related functions of any officer or employee of the ACTION Agency).

(3) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under paragraph (2).

(4) REORGANIZATION.—The Chairperson is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Corporation.

(5) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Corporation. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(6) **INCIDENTAL TRANSFER.**—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this subsection, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be necessary to effectuate the purposes of this subsection.

(7) **EFFECT ON PERSONNEL.**—

(A) **IN GENERAL.**—Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall be to positions in the Corporation subject to section 195(a)(1) of the National and Community Service Act of 1990, as added by section 202(a) of this Act, and shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection, and such transfer shall be deemed to be a transfer of functions for purposes of section 3503 of title 5 of the United States Code.

(B) **EXECUTIVE SCHEDULE POSITIONS.**—Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Corporation to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(C) **TERMINATION OF CERTAIN POSITIONS.**—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

(8) **SAVINGS PROVISIONS.**—

(A) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(i) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this subsection; and

(ii) that are in effect at the time this subsection takes effect, or were final before the effective date of this subsection and are to become effective on or after the effective date of this subsection,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Chairperson, or other authorized official, a court of competent jurisdiction, or by operation of law.

(B) **PROCEEDINGS NOT AFFECTED.**—The provisions of this subsection shall not affect any proceedings, including notices of proposed rule-making, or any application for any license, per-

mit, certificate, or financial assistance pending before the ACTION Agency at the time this subsection takes effect, with respect to functions transferred by this subsection but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subsection had not been enacted.

(C) **SUITS NOT AFFECTED.**—The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

(D) **NONABATEMENT OF ACTIONS.**—No suit, action, or other proceeding commenced by or against the ACTION Agency, or by or against any individual in the official capacity of such individual as an officer of the ACTION Agency, shall abate by reason of the enactment of this subsection.

(E) **ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.**—Any administrative action relating to the preparation or promulgation of a regulation by the ACTION Agency relating to a function transferred under this subsection may be continued by the Corporation with the same effect as if this subsection had not been enacted.

(9) **SEVERABILITY.**—If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

(10) **TRANSITION.**—Prior to, or after, any transfer of a function under this subsection, the Chairperson is authorized to utilize—

(A) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions that will be or have been transferred to the Corporation by this subsection; and

(B) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subsection.

(d) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), this section, and the amendments made by this section, shall take effect—

(A) 18 months after the date of enactment of this Act; or

(B) on such earlier date as the President shall determine to be appropriate and announce by proclamation published in the Federal Register.

(2) **TRANSITION.**—Subsection (c)(10) shall take effect on the date of enactment of this Act.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 501 of the National and Community Service Act of 1990 (42 U.S.C. 12681) is amended to read as follows:

"SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

"(a) TITLE I.—

"(1) SUBTITLE B.—There are authorized to be appropriated to provide financial assistance under subtitle B of title I, \$45,000,000 for fiscal

year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(2) SUBTITLES C, D, AND H.—There are authorized to be appropriated to provide financial assistance under subtitles C and H of title I, and to provide national service educational awards under subtitle D of title I, \$389,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996. Of the funds appropriated under this paragraph for a fiscal year, not more than 15 percent of such funds may be made available to provide financial assistance for activities in subtitle H, section 125, or section 126.

"(3) ADMINISTRATION.—There are authorized to be appropriated for the administration of this Act (including subtitle G) such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(b) TITLE III.—There are authorized to be appropriated to carry out title III \$5,000,000 for each of the fiscal years 1994 through 1996.

"(c) AVAILABILITY OF APPROPRIATIONS.—Funds appropriated under this section shall remain available until expended."

Subtitle B—Domestic Volunteer Service Act of 1973

SEC. 311. SHORT TITLE; REFERENCES.

(a) **SHORT TITLE.**—This subtitle may be cited as the "Domestic Volunteer Service Act Amendments of 1993".

(b) **REFERENCES.**—Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

SEC. 321. PURPOSE OF THE VISTA PROGRAM.

The last sentence of section 101 (42 U.S.C. 4951) is amended to read as follows: "In addition, the objectives of this part are to generate the commitment of private sector resources, to encourage volunteer service at the local level, and to strengthen local agencies and organizations to carry out the purpose of this part."

SEC. 321A. ASSISTANT DIRECTOR FOR VISTA PROGRAM.

(a) **IN GENERAL.**—Section 102 (42 U.S.C. 4952) is amended by striking "The Director" and inserting "This part shall be administered by the Assistant Director appointed pursuant to section 195(a)(2) of the National and Community Service Act of 1990. Such Director".

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on the effective date of section 203(b).

SEC. 322. SELECTION AND ASSIGNMENT OF VISTA VOLUNTEERS.

(a) **VOLUNTEER ASSIGNMENTS.**—Section 103(a) (42 U.S.C. 4953(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "a public" and inserting "public";

(2) in paragraph (2), by striking "and" at the end;

(3) in paragraph (3), by striking "illiterate or functionally illiterate youth and other individuals";

(4) in paragraph (5), by striking "and" at the end;

(5) in paragraph (6)—

(A) by striking "or the Community Economic" and inserting "the Community Economic";

(B) by inserting "or other similar Acts," after "1981"; and

(C) by striking the period and inserting "and"; and

(6) by adding at the end the following new paragraph:

"(7) in strengthening, supplementing, and expanding efforts to address the problem of illiteracy throughout the United States."

(b) **RECRUITMENT PROCEDURES.**—Section 103(b) (42 U.S.C. 4953(b)) is amended—

(1) in paragraph (2)—

(A) by amending subparagraph (A) to read as follows:

“(2)(A) The Director shall establish and maintain within the national headquarters of the ACTION Agency (or any successor entity of such agency) a volunteer placement office which shall be responsible for all functions related to the recruitment and placement of volunteers under this part. Such functions and activities shall be carried out in coordination or in conjunction with recruitment and placement activities carried out under the National Service Trust Act of 1993.”;

(B) by striking subparagraph (C); and

(C) by redesignating subparagraph (D) as subparagraph (C);

(2) by striking paragraphs (4) and (6); and

(3) by redesignating paragraphs (5) and (7) as paragraphs (4) and (6), respectively.

(c) **PUBLIC AWARENESS AND RECRUITMENT.**—Subsection (c) of section 103 (42 U.S.C. 4953(c)) is amended—

(1) in paragraph (1)—

(A) in the 1st sentence by striking “regional or State employees designated in subparagraphs (C) and (D) of subsection (b)(2)” and inserting “personnel described in subsection (b)(2)(C)”;

(B) in the 2nd sentence, by striking “shall include” and inserting “may include”;

(C) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

(D) by inserting after subparagraph (E) the following new subparagraph:

“(F) publicizing educational awards available under the National Service Trust Act of 1993;”;

(2) by striking paragraphs (4) and (5); and

(3) by redesignating paragraph (6) as paragraph (4).

(d) **COORDINATION WITH OTHER FEDERAL AGENCIES.**—Section 103 (42 U.S.C. 4953) is amended by adding at the end the following new subsection:

“(h) The Director is encouraged to enter into agreements with other Federal agencies to use VISTA volunteers in furtherance of program objectives that are consistent with the purposes described in section 101.”.

SEC. 323. TERMS AND PERIODS OF SERVICE.

(a) **CLARIFICATION AND PERIODS OF SERVICE.**—Subsection (b) of section 104 (42 U.S.C. 4954(b)) is amended to read as follows:

“(b)(1) Volunteers serving under this part may be enrolled initially for periods of service of not less than 1 year, nor more than 2 years, except as provided in paragraph (2) or subsection (e).

“(2) Volunteers serving under this part may be enrolled for periods of service of less than 1 year if the Director determines, on an individual basis, that a period of service of less than 1 year is necessary to meet a critical scarce skill need.

“(3) Volunteers serving under this part may be reenrolled for periods of service in a manner to be determined by the Director. No volunteer shall serve for more than a total of 5 years under this part.”.

(b) **SUMMER PROGRAM.**—Section 104 (42 U.S.C. 4954) is amended by adding at the end the following new subsection:

“(e)(1) Notwithstanding any other provision of this part, the Director may enroll full-time VISTA summer associates in a program for the summer months only, under such terms and conditions as the Director shall determine to be appropriate. Such individuals shall be assigned to projects that meet the criteria set forth in section 103(a).

“(2) In preparing reports relating to programs under this Act, the Director shall report on participants, costs, and accomplishments under the summer program separately.

“(3) The limitation on funds appropriated for grants and contracts, as contained in section 108, shall not apply to the summer program.”.

SEC. 324. SUPPORT FOR VISTA VOLUNTEERS.

(a) **POSTSERVICE STIPEND.**—Section 105(a)(1) (42 U.S.C. 4955(a)(1)) is amended—

(1) by inserting “(A)” after “(a)(1)”;

(2) by striking the second sentence and inserting the following:

“(B) Such stipend shall not exceed \$95 per month in fiscal year 1994, but shall be set at a minimum of \$100 per month during the service of the volunteer after October 1, 1994. The Director may provide a stipend of a maximum of \$200 per month in the case of persons who have served as volunteers under this part for at least 1 year and who, in accordance with standards established in such regulations as the Director shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

“(C) The Director shall not provide a stipend under this subsection to an individual who elects to receive a national service education award under subtitle D of title I of the National and Community Service Act of 1990.”.

(b) **SUBSISTENCE ALLOWANCE.**—Section 105(b) (42 U.S.C. 4955(b)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (A);

(B) in subparagraph (B), by striking the subparagraph designation; and

(C) by adding at the end the following new sentence: “The Director shall review such adjustments on an annual basis to ensure that the adjustments are current.”; and

(2) by striking paragraph (4).

SEC. 325. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

Section 107 (42 U.S.C. 4957) is amended to read as follows:

“SEC. 107. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

“In carrying out this part and part C, the Director shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of individuals 18 through 27 years of age, and individuals 55 years of age and older, in the various programs and activities authorized under such parts.”.

SEC. 326. LITERACY ACTIVITIES.

Section 109 (42 U.S.C. 4959) is amended—

(1) in subsection (g)—

(A) by striking paragraph (1); and

(B) by striking the paragraph designation of paragraph (2); and

(2) in subsection (h)—

(A) in paragraph (1) by striking “paragraphs (2) and (3)” and inserting “paragraph (2)”;

(B) by striking paragraph (3).

SEC. 327. APPLICATIONS FOR ASSISTANCE.

Section 110 (42 U.S.C. 4960) is amended to read as follows:

“SEC. 110. APPLICATIONS FOR ASSISTANCE.

“In reviewing an application for assistance under this part, the Director shall not deny such assistance to any project or program, or any public or private nonprofit organization, solely on the basis of the duration of the assistance such project, program, or organization has received under this part prior to the date of submission of the application. The Director shall grant assistance under this part on the basis of merit and to accomplish the goals of the VISTA program, and shall consider the needs and requirements of projects in existence on such date as well as potential new projects.”.

SEC. 328. REPEAL OF AUTHORITY FOR STUDENT COMMUNITY SERVICE PROGRAMS.

Part B of title I (42 U.S.C. 4971 et seq.) is amended by repealing section 114 (42 U.S.C. 4974).

SEC. 329. UNIVERSITY YEAR FOR VISTA.

(a) **PROGRAM TITLE.**—Part B of title I (42 U.S.C. 4971 et seq.) is amended—

(1) in the part heading to read as follows:

“PART B—UNIVERSITY YEAR FOR VISTA”;

(2) by striking “University Year for ACTION” each place that such term appears in such part and inserting “University Year for VISTA”;

(3) by striking “UYA” each place that such term appears in such part and inserting “UYV”;

and

(4) in section 112 (42 U.S.C. 4972) by striking the section heading and inserting the following new section heading:

“AUTHORITY TO OPERATE UNIVERSITY YEAR FOR VISTA PROGRAM”.

(b) **SPECIAL CONDITIONS.**—Section 113(a) (42 U.S.C. 4973(a)) is amended—

(1) by striking “of not less than the duration of an academic year” and inserting “of not less than the duration of an academic semester or its equivalent”; and

(2) by adding at the end the following new sentence: “Volunteers may receive a living allowance and such other support or allowances as the Director determines to be appropriate.”.

SEC. 330. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

Section 122 (42 U.S.C. 4992) is amended to read as follows:

“SEC. 122. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

“(a) **IN GENERAL.**—The Director is authorized to conduct special volunteer programs for demonstration programs, or award grants to or enter into contracts with public or nonprofit organizations to carry out such programs. Such programs shall encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and identify particular segments of the poverty community that could benefit from volunteer and other antipoverty efforts.

“(b) **ASSIGNMENT AND SUPPORT OF VOLUNTEERS.**—The assignment of volunteers under this section, and the provision of support for such volunteers, including any subsistence allowances and stipends, shall be on such terms and conditions as the Director shall determine to be appropriate, but shall not exceed the level of support provided under section 105. Projects using volunteers who do not receive stipends may also be supported under this section.

“(c) **CRITERIA AND PRIORITIES.**—In carrying out this section and section 123, the Director shall establish criteria and priorities for awarding grants and entering into contracts under this part in each fiscal year. No grant or contract exceeding \$100,000 shall be made under this part unless the recipient of the grant or contractor has been selected by a competitive process that includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process.”.

SEC. 331. TECHNICAL AND FINANCIAL ASSISTANCE.

Section 123 (42 U.S.C. 4993) is amended to read as follows:

“SEC. 123. TECHNICAL AND FINANCIAL ASSISTANCE.

“The Director may provide technical and financial assistance to Federal agencies, State and local governments and agencies, private nonprofit organizations, employers, and other private organizations that utilize or desire to utilize volunteers in carrying out the purpose of this part.”.

SEC. 332. ELIMINATION OF SEPARATE AUTHORITY FOR DRUG ABUSE PROGRAMS.

Section 124 (42 U.S.C. 4994) is repealed.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

SEC. 341. NATIONAL SENIOR VOLUNTEER CORPS.

(a) **TITLE HEADING.**—The heading for title II is amended to read as follows:

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS".

(b) REFERENCES.—

(1) Section 200(1) (42 U.S.C. 5000(1)) is amended by striking "Older American Volunteer Programs" and inserting "National Senior Volunteer Corps".

(2) The heading for section 221 (42 U.S.C. 5021) is amended by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS".

(3) Section 224 (42 U.S.C. 5024) is amended—

(A) in the section heading by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS"; and

(B) by striking "volunteer projects for Older Americans" and inserting "National Senior Volunteer Corps projects".

(4) Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended by striking "national older American volunteer programs" each place the term appears and inserting "National Senior Volunteer Corps programs".

SEC. 342. THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

(a) **PART HEADING.**—The heading for part A of title II is amended by striking "RETIRED SENIOR VOLUNTEER PROGRAM" and inserting "RETIRED AND SENIOR VOLUNTEER PROGRAM".

(b) **REFERENCES.**—Section 200 (42 U.S.C. 5000) is amended by striking "retired senior volunteer program" each place that such term appears in such section and the Act and inserting "Retired and Senior Volunteer Program".

SEC. 343. OPERATION OF THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

Section 201(a) (42 U.S.C. 5001(a)) is amended—

(1) in the matter preceding paragraph (1) by striking "retired persons" and inserting "retired individuals and working older individuals"; and

(2) in paragraph (2)—

(A) by striking "aged sixty or over" and inserting "55 years of age or older"; and

(B) by inserting ", and individuals 60 years of age or older will be given priority for enrollment," after "enrolled".

SEC. 344. SERVICES UNDER THE FOSTER GRANDPARENT PROGRAM.

Section 211(a) (42 U.S.C. 5011(a)) is amended by striking ", including services" and all that follows through "with special needs." and inserting a period and the following: "Such services may include services by individuals serving as foster grandparents to children with disabilities and chronic health conditions and to children who are receiving care in hospitals, who are residing in homes for dependent and neglected children, or who are receiving services provided by day care centers, schools, Head Start agencies, early intervention programs, family support programs, or other programs, establishments, or institutions providing services for children with special or exceptional needs. Individual foster grandparents may provide person-to-person services to one or more children, depending on the need for such services."

SEC. 345. STIPENDS FOR LOW-INCOME VOLUNTEERS.

Section 211(d) (42 U.S.C. 5011(d)) is amended—

(1) in the second sentence by striking "Any stipend or allowance provided under this subsection shall not be less than \$2.20 per hour until October 1, 1990, \$2.35 per hour during fiscal year 1991, and \$2.50 per hour on and after October 1, 1992," and inserting "Any stipend or allowance provided under this section shall not be less than \$2.45 per hour on and after October 1, 1993, and shall be adjusted once prior to December 31, 1997, to account for inflation, as determined by the Director and rounded to the nearest five cents,"; and

(2) by adding at the end the following:

"In establishing the amount of, and the effective date for, such adjustment, the Director, in consultation with the State commissions (as defined in section 178 of the National and Community Service Act of 1990) and the heads of the State offices established under section 195 of such Act, shall consider the effect such adjustment will have on the ability of non-Federally funded volunteer programs similar to the programs under this title to maintain their current level of volunteer hours."

SEC. 346. CONDITIONS OF GRANTS AND CONTRACTS.

Section 212(a) (42 U.S.C. 5012(a)) is amended—

(1) by striking paragraph (1), and

(2) in paragraph (2)—

(A) by striking "(2)(A)" and inserting "(1)",

(B) in paragraph (1), as so redesignated—

(i) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(ii) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(C) by striking "(B)" and inserting "(2)".

SEC. 347. AGREEMENTS WITH OTHER FEDERAL AGENCIES.

(a) **PROMOTION.**—Section 221(a) (42 U.S.C. 5021(a)) is amended—

(1) by striking "(a)" and inserting "(a)(1)"; and

(2) by adding at the end the following:

"(2) To the maximum extent practicable, the Director shall enter into agreements with—

"(A) the Department of Health and Human Services to—

"(i) involve retired and senior volunteers, and foster grandparents, in Head Start programs;

"(ii) involve retired and senior volunteers, and senior companions, in providing services authorized by title III of the Older Americans Act of 1965; and

"(iii) promote the recognition of such volunteers who are qualified to provide in-home services for reimbursement under title XVIII of the Social Security Act for providing such services;

"(B) the Department of Education to promote intergenerational tutoring and mentoring for at-risk children; and

"(C) the Environmental Protection Agency to support conservation efforts."

(b) **MINIMUM EXPENDITURE.**—Section 221(b)(3) (42 U.S.C. 5021(b)(3)) is amended by striking "\$250,000" and inserting "\$500,000".

SEC. 348. MINORITY GROUP PARTICIPATION.

Section 223 (42 U.S.C. 5023) is amended by adding at the end the following:

"Such efforts shall include using methods appropriate to communicate with individuals who have limited English proficiency."

SEC. 349. PROGRAMS OF NATIONAL SIGNIFICANCE.

Section 225 (42 U.S.C. 5025) is amended—

(1) in subsection (a)(2)(B) by striking "paragraph (10)" and inserting "paragraphs (10), (12), (15), and (16)";

(2) in subsection (b), by adding at the end the following new paragraphs:

"(12) Programs that address environmental needs.

"(13) Programs that reach out to organizations (such as labor unions and profit-making organizations) not previously involved in addressing national problems of local concern.

"(14) Programs that provide for outreach to increase participation of members of ethnic groups who have limited English proficiency.

"(15) Programs that support criminal justice activities and juvenile justice activities.

"(16) Programs that involve older volunteers working with young people in apprenticeship programs.

"(17) Programs that support the community integration of individuals with disabilities.";

(3) in subsection (c)(1), by striking "under this title"; and

(4) in subsection (d), by striking paragraph (1) and inserting the following new paragraph:

"(1) Except as provided in paragraph (2), from the amounts appropriated under subsection (a), (b), (c), or (d) of section 502, for each fiscal year there shall be available to the Director such sums as may be necessary to make grants under subsection (a)."

SEC. 350. DEMONSTRATION PROGRAMS.

Title II is amended by adding at the end the following:

"PART E—DEMONSTRATION PROGRAMS

"SEC. 231. AUTHORITY OF DIRECTOR.

"(a) **IN GENERAL.**—The Director is authorized to make grants to or enter into contracts with public or nonprofit private agencies and organizations, including organizations funded under part A, B, or C, for the purposes of demonstrating innovative activities involving older individuals as volunteers. The Director may support under this part both volunteers receiving stipends and volunteers not receiving stipends.

"(b) **ACTIVITIES.**—An organization that receives a grant or enters into a contract under subsection (a) may use funds made available through the grant or contract for activities such as—

"(1) linking youth groups, and organizations whose members are older individuals, in volunteer activities;

"(2) involving older volunteers in programs and activities different from those currently supported in the community; and

"(3) testing whether programs for older volunteers may contribute to achieving new objectives or to carrying out certain national priorities."

CHAPTER 3—ADMINISTRATION

SEC. 361. PURPOSE OF AGENCY.

Section 401 (42 U.S.C. 5041) is amended—

(1) by inserting after the first sentence the following: "This Agency shall also promote the coordination of volunteer efforts among Federal, State, and local agencies and organizations, exchange technical assistance information among them, and provide technical assistance to other nations concerning domestic volunteer programs within their countries."; and

(2) by striking "Older American Volunteer Programs" each place the term appears and inserting "National Senior Volunteer Corps".

SEC. 362. AUTHORITY OF THE DIRECTOR.

Section 402 (42 U.S.C. 5042) is amended in paragraphs (5) and (6) by inserting "solicit and" before "accept" in each such paragraph.

SEC. 362A. POLITICAL ACTIVITIES.

Section 403 (42 U.S.C. 5043) is amended—

(1) by redesignating subsections (b)(2) and (c) as subsections (c) and (d), respectively;

(2) in subsection (c), as so redesignated, by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(3) by striking subsection (b)(1) and inserting the following:

"(b)(1) Programs assisted under this Act shall not be carried on in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with—

"(A) any partisan or nonpartisan political activity associated with a candidate, or a contending faction or group, in an election for public or party office;

"(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

"(C) any voter registration activity;

except that programs assisted under this Act may make voter registration applications and nonpartisan voter registration information available to the public on the premises of such programs.

"(2) In carrying out any voter registration activity permitted under paragraph (1), an individual who is affiliated with, or employed to carry out, a program assisted under this Act shall not—

"(A) indicate a preference with respect to any candidate, political party, or election issue; or

"(B) seek to influence the political or party affiliation, or voting decision, of any individual."

SEC. 363. COMPENSATION FOR VOLUNTEERS.

Section 404 (42 U.S.C. 5044) is amended—

(1) in subsection (c), by inserting "from such volunteers or from beneficiaries" after "compensation";

(2) by striking subsection (f); and

(3) by redesignating subsection (g) as subsection (f).

SEC. 364. REPEAL OF REPORT.

Section 407 (42 U.S.C. 5047) is repealed.

SEC. 365. APPLICATION OF FEDERAL LAW.

Section 415(b)(4)(A) (42 U.S.C. 5055(b)(4)(A)) is amended by striking "a grade GS-7 employee" and inserting "an employee at grade GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 366. NONDISCRIMINATION PROVISIONS.

Section 417 (42 U.S.C. 5057) is amended to read as follows:

"SEC. 417. NONDISCRIMINATION PROVISIONS.

"(a) IN GENERAL.—

"(1) BASIS.—An individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate against a participant in, or member of the staff of, such program on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate on the basis of religion against a participant in such program or a member of the staff of such program who is paid with funds received under this Act.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the employment, with assistance provided under this Act, of any member of the staff, of a program that receives assistance under this Act, who was employed with the organization operating the program on the date the grant under this Act was awarded.

"(d) RULES AND REGULATIONS.—The Director shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 367. ELIMINATION OF SEPARATE REQUIREMENTS FOR SETTING REGULATIONS.

Section 420 (42 U.S.C. 5060) is repealed.

SEC. 368. CLARIFICATION OF ROLE OF INSPECTOR GENERAL.

Section 422 (42 U.S.C. 5062) is amended—

(1) in subsection (a), by inserting "or the Inspector General" after "Director"; and

(2) in subsection (b), by inserting "the Inspector General," after "Director" each place that such term appears.

SEC. 369. COPYRIGHT PROTECTION.

Title IV is amended by adding at the end, the following new section:

"SEC. 425. PROTECTION AGAINST IMPROPER USE.

"Whoever falsely—

"(1) advertises or represents; or

"(2) publishes or displays any sign, symbol, or advertisement, reasonably calculated to convey the impression,

that an entity is affiliated with, funded by, or operating under the authority of ACTION, VISTA, or any of the programs of the National Senior Volunteer Corps may be enjoined under an action filed by the Attorney General, on a complaint by the Director."

SEC. 372. DEPOSIT REQUIREMENT CREDIT FOR SERVICE AS A VOLUNTEER.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—Section 8332(j) of title 5, United States Code, is amended—

(A) in paragraph (1)—

(i) in the first sentence, by inserting "the period of an individual's service as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964"; and

(iii) in the last sentence—

(1) by inserting "or under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964"; and

(2) by inserting "or the Chairperson of the Corporation for National Service, as appropriate," after "Director of the Office of Economic Opportunity"; and

(B) by adding at the end the following new paragraph:

"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or the Peace Corps Act shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."

(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—

(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(l)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act before the date of the separation on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or section 5(c) or 6(1) of the Peace Corps Act or the stipend

paid to the employee or Member under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, for each period of service as such a volunteer or volunteer leader.

"(2) Any deposit made under paragraph (1) more than 2 years after the later of—

"(A) October 1, 1993; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).

"(3) The Director of the Peace Corps and the Chairperson of the Corporation for National Service shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(A) in subsection (b)(3), by striking "subsection (f)" and inserting "subsection (f) or (h)"; and

(B) by adding at the end the following new subsection:

"(h) An employee or Member shall be allowed credit for service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act performed at any time prior to the separation on which the entitlement to any annuity under this subchapter is based if the employee or Member has made a deposit with interest, if any, with respect to such service under section 8422(f)."

(2) DEDUCTIONS, CONTRIBUTIONS.—Section 8422 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act before the date of the separation on which the entitlement to any annuity under this subchapter, or subchapter V of this chapter, is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, an amount equal to 3 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or section 5(c) or 6(1) of the Peace Corps Act or the stipend paid to the employee or Member under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, for each period of service as such a volunteer or volunteer leader.

"(2) Any deposit made under paragraph (1) more than 2 years after the later of—

"(A) October 1, 1993; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the

date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e).

"(3) The Director of the Peace Corps and the Chairperson of the Corporation for National Service shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(c) APPLICABILITY AND OTHER PROVISIONS.—

(1) APPLICABILITY.—

(A) AMENDMENTS RELATING TO CSRS.—

(i) IN GENERAL.—The amendments made by subsection (a) shall apply with respect to any individual entitled to an annuity on the basis of a separation from service occurring on or after the effective date of this subtitle.

(ii) RULES RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—An annuity under subchapter III of chapter 83 of title 5, United States Code, payable to an individual based on a separation from service occurring before the effective date of this subtitle shall be subject to the provisions of paragraph (2).

(B) AMENDMENTS RELATING TO FERS.—

(i) IN GENERAL.—The amendments made by subsection (b) shall apply with respect to any individual entitled to an annuity on the basis of a separation from service occurring before, on, or after the effective date of this subtitle, subject to clause (ii).

(ii) RULE RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—In the case of any individual whose entitlement to an annuity is based on a separation from service occurring before the effective date of this subtitle, any increase in such individual's annuity on the basis of a deposit made under section 8442(f) of title 5, United States Code, as amended by subsection (b)(2), shall be effective beginning with the annuity payment payable for the first calendar month beginning after the effective date of this subtitle.

(2) SPECIAL RULES.—

(A) OLD-AGE OR SURVIVORS INSURANCE BENEFITS.—Subject to subparagraph (B), in any case in which an individual described in paragraph (1)(A)(ii) is also entitled to old-age or survivors insurance benefits under section 202 of the Social Security Act (or would be entitled to such benefits upon filing an application therefor), the amount of the annuity to which such individual is entitled under subchapter III of chapter 83 of title 5, United States Code (after taking into account any creditable service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, the Domestic Volunteer Service Act of 1973, or the Peace Corps Act) which is payable for any month shall be reduced by an amount determined by multiplying the amount of such old-age or survivors insurance benefit for the determination month by a fraction—

(i) the numerator of which is the total of the wages (within the meaning of section 209 of the Social Security Act) for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, the Domestic Volunteer Service Act of 1973, or the Peace Corps Act of such individual credited for years before the calendar year in which the determination month occurs, up to the contribution and benefit base determined under section 230 of the Social Security Act (or other applicable maximum annual amount referred to in section 215(e)(1) of such Act for each such year); and

(ii) the denominator of which is the total of all wages described in clause (i), plus all other wages (within the meaning of section 209 of such Act) and all self-employment income (within the meaning of section 211(b) of such Act) of such individual credited for years after 1936 and before the calendar year in which the deter-

mination month occurs, up to the contribution and benefit base (or such other amount referred to in section 215(e)(1) of such Act for each such year).

(B) LIMITATIONS.—

(i) Subparagraph (A) shall not reduce the annuity of an individual below the amount of the annuity which would be payable to the individual for the determination month if the provisions of section 8332(j) of title 5, United States Code, relating to service as a volunteer or volunteer leader, applied to the individual for such month.

(ii) Subparagraph (A) shall not apply in the case of an individual who, prior to the date of enactment of this Act, made a deposit for under section 8334(c) of title 5, United States Code, with respect to service as a volunteer or volunteer leader (as described in subparagraph (A)).

(iii) DETERMINATION MONTH.—For purposes of this paragraph, the term "determination month" means—

(I) the first month the individual described in paragraph (1)(A)(ii) is entitled to old-age or survivors benefits under section 202 of the Social Security Act (or would be entitled to such benefits upon filing an application therefor); or

(II) the first calendar month beginning after the date of enactment of this Act, in the case of any individual entitled to such benefits for such month.

(iv) RULE RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—Any increase in an annuity which occurs by virtue of the enactment of this paragraph shall be effective beginning with the annuity payment payable for the first calendar month beginning after the effective date of this subtitle.

(3) FURNISHING OF INFORMATION.—The Secretary of Health and Human Services shall furnish such information to the Office of Personnel Management as may be necessary to carry out this subsection.

(4) ACTION TO INFORM INDIVIDUALS.—The Director of the Office of Personnel Management shall take such action as may be necessary and appropriate to inform individuals entitled to credit under this section for service as a volunteer or volunteer leader, or to have any annuity recomputed, or to make a deposit under this section, of such entitlement.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS
SEC. 381. AUTHORIZATION OF APPROPRIATIONS FOR TITLE I.

Section 501 (42 U.S.C. 5081) is amended to read as follows:

"SEC. 501. NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS.

"(a) AUTHORIZATIONS.—

"(1) VOLUNTEERS IN SERVICE TO AMERICA.—There are authorized to be appropriated to carry out parts A and B of title I, excluding section 109, \$56,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(2) LITERACY ACTIVITIES.—There are authorized to be appropriated to carry out section 109, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(3) SPECIAL VOLUNTEER PROGRAMS.—There are authorized to be appropriated to carry out part C of title I, excluding section 125, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(4) LITERACY CHALLENGE GRANTS.—There are authorized to be appropriated to carry out section 125, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(b) SUBSISTENCE.—The minimum level of an allowance for subsistence required under section 105(b)(2), to be provided to each volunteer under title I, may not be reduced or limited in order to provide for an increase in the number of volunteer service years under part A of title I.

"(c) LIMITATION.—No part of the funds appropriated to carry out part A of title I may be used to provide volunteers or assistance to any program or project authorized under part B or C of title I, or under title II, unless the program or project meets the antipoverty criteria of part A of title I.

"(d) AVAILABILITY.—Amounts appropriated for part A of title I shall remain available for obligation until the end of the fiscal year following the fiscal year for which the amounts were appropriated.

"(e) VOLUNTEER SERVICE REQUIREMENT.—

"(1) VOLUNTEER SERVICE YEARS.—Of the amounts appropriated under this section for parts A, B, and C of title I, including section 125, there shall first be available for part A of title I, including sections 104(e) and 109, an amount not less than the amount necessary to provide 3,700 volunteer service years in fiscal year 1994, 4,000 volunteer service years in fiscal year 1995, and 4,500 volunteer service years in fiscal year 1996.

"(2) PLAN.—If the Director determines that funds appropriated to carry out part A, B, and C of title I are insufficient to provide for the years of volunteer service required by paragraph (1), the Director shall submit a plan to the relevant authorizing and appropriations committees of Congress that will detail what is necessary to fully meet this requirement."

SEC. 382. AUTHORIZATION OF APPROPRIATIONS FOR TITLE II.

Section 502 (42 U.S.C. 5082) is amended to read as follows:

"SEC. 502. NATIONAL SENIOR VOLUNTEER CORPS.

"(a) RETIRED AND SENIOR VOLUNTEER PROGRAM.—There are authorized to be appropriated to carry out part A of title II, \$53,100,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(b) FOSTER GRANDPARENT PROGRAM.—There are authorized to be appropriated to carry out part B of title II, \$98,200,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(c) SENIOR COMPANION PROGRAM.—There are authorized to be appropriated to carry out part C of title II, \$48,700,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(d) DEMONSTRATION PROGRAMS.—There are authorized to be appropriated to carry out part E of title II, such sums as may be necessary for each of the fiscal years 1994 through 1996."

SEC. 383. AUTHORIZATION OF APPROPRIATIONS FOR TITLE IV.

Section 504 (42 U.S.C. 5084) is amended to read as follows:

"SEC. 504. ADMINISTRATION AND COORDINATION.

"(a) IN GENERAL.—For each of the fiscal years 1994 through 1996, there are authorized to be appropriated for the administration of this Act as provided for in title IV, 21 percent of the total amount appropriated under sections 501 and 502 with respect to such year.

"(b) EVALUATION.—For each of the fiscal years 1994 through 1996, the Director is authorized to expend not less than 2½ percent, and not more than 5 percent, of the amount appropriated under subsection (a), for the purposes prescribed in section 416."

SEC. 384. CONFORMING AMENDMENTS; COMPENSATION FOR VISTA FECA CLAIMANTS.

Section 8143(b) of title 5, United States Code, is amended by striking "GS-7" and inserting "GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 385. REPEAL OF AUTHORITY.

Title VII (42 U.S.C. 5091 et seq.) is repealed.

CHAPTER 5—GENERAL PROVISIONS**SEC. 391. TECHNICAL AND CONFORMING AMENDMENTS.**

The Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) is amended by striking "That this Act" and all that follows through the end of the table of contents and inserting the following:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) **SHORT TITLE.**—This Act may be cited as the 'Domestic Volunteer Service Act of 1973'.

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

"Sec. 1. Short title; table of contents.

"Sec. 2. Volunteerism policy.

"TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS**"PART A—VOLUNTEERS IN SERVICE TO AMERICA**

"Sec. 101. Statement of purpose.

"Sec. 102. Authority to operate VISTA program.

"Sec. 103. Selection and assignment of volunteers.

"Sec. 104. Terms and periods of service.

"Sec. 105. Support service.

"Sec. 106. Participation of beneficiaries.

"Sec. 107. Participation of younger and older persons.

"Sec. 108. Limitation.

"Sec. 109. VISTA Literacy Corps.

"Sec. 110. Applications for assistance.

"PART B—UNIVERSITY YEAR FOR VISTA

"Sec. 111. Statement of purpose.

"Sec. 112. Authority to operate University Year for VISTA program.

"Sec. 113. Special conditions.

"PART C—SPECIAL VOLUNTEER PROGRAMS

"Sec. 121. Statement of purpose.

"Sec. 122. Authority to establish and operate special volunteer and demonstration programs.

"Sec. 123. Technical and financial assistance for improvement of volunteer programs.

"Sec. 125. Literacy challenge grants.

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS

"Sec. 200. Statement of purposes.

"PART A—RETIRED AND SENIOR VOLUNTEER PROGRAM

"Sec. 201. Grants and contracts for volunteer service projects.

"PART B—FOSTER GRANDPARENT PROGRAM

"Sec. 211. Grants and contracts for volunteer service projects.

"Sec. 212. Conditions of grants and contracts.

"PART C—SENIOR COMPANION PROGRAM

"Sec. 213. Grants and contracts for volunteer service projects.

"PART D—GENERAL PROVISIONS

"Sec. 221. Promotion of National Senior Volunteer Corps.

"Sec. 222. Payments.

"Sec. 223. Minority group participation.

"Sec. 224. Use of locally generated contributions in National Senior Volunteer Corps.

"Sec. 225. Programs of national significance.

"Sec. 226. Adjustments to Federal financial assistance.

"Sec. 227. Multiyear grants or contracts.

"PART E—DEMONSTRATION PROGRAMS

"Sec. 231. Authority of Director.

"TITLE IV—ADMINISTRATION AND COORDINATION

"Sec. 403. Political activities.

"Sec. 404. Special limitations.

"Sec. 406. Labor standards.

"Sec. 408. Joint funding.

"Sec. 409. Prohibition of Federal control.

"Sec. 410. Coordination with other programs.

"Sec. 411. Prohibition.

"Sec. 412. Notice and hearing procedures for suspension and termination of financial assistance.

"Sec. 414. Distribution of benefits between rural and urban areas.

"Sec. 415. Application of Federal law.

"Sec. 416. Evaluation.

"Sec. 417. Nondiscrimination provisions.

"Sec. 418. Eligibility for other benefits.

"Sec. 419. Legal expenses.

"Sec. 421. Definitions.

"Sec. 422. Audit.

"Sec. 423. Reduction of paperwork.

"Sec. 424. Review of project renewals.

"Sec. 425. Protection against improper use.

"Sec. 426. Center for Research and Training.

"TITLE V—AUTHORIZATION OF APPROPRIATIONS

"Sec. 501. National volunteer antipoverty programs.

"Sec. 502. National Senior Volunteer Corps.

"Sec. 504. Administration and coordination.

"Sec. 505. Availability of appropriations.

"TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

"Sec. 601. Supersession of Reorganization Plan No. 1 of July 1, 1971.

"Sec. 602. Creditable service for civil service retirement.

"Sec. 603. Repeal of title VIII of the Economic Opportunity Act.

"Sec. 604. Repeal of title VI of the Older Americans Act."

SEC. 392. EFFECTIVE DATE.

This subtitle shall become effective on October 1, 1993.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS**SEC. 401. DEFINITION OF DIRECTOR.**

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) the term 'Director' means the Chairperson and Director of the Corporation for National Service appointed under section 193 of the National and Community Service Act of 1990;"

SEC. 402. REFERENCES TO ACTION AND THE ACTION AGENCY.

(a) **DOMESTIC VOLUNTEER SERVICE ACT OF 1973.**—

(1) Section 2(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950(b)) is amended—

(A) by striking "ACTION, the Federal domestic volunteer agency," and inserting "this Act"; and

(B) by striking "ACTION" and inserting "the Corporation for National Service".

(2) Section 125(b) of such Act (42 U.S.C. 4995(b)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(3) Section 225(e) of such Act (42 U.S.C. 5025(e)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(4) Section 403(a) of such Act (42 U.S.C. 5043(a)) is amended—

(A) by striking "the ACTION Agency" the first place it appears and inserting "the Corporation under this Act"; and

(B) by striking "the ACTION Agency" the second place it appears and inserting "the Corporation".

(5) Section 408 of such Act (42 U.S.C. 5048) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(6) Section 425 of such Act (as added by section 369 of this Act) is further amended by striking "ACTION" and inserting "the Corporation".

(b) **ADMINISTRATION ON CHILDREN, YOUTH, AND FAMILIES.**—Section 916(b) of the Claude Pepper Young Americans Act of 1990 (42 U.S.C. 12312(b)) is amended by striking "the Director of the ACTION Agency" and inserting "the Chairperson of the Corporation for National Service".

(c) **INSPECTOR GENERAL.**—Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) by striking "ACTION,"; and

(2) by inserting "the Corporation for National Service (except as provided in section 194(b) of the National and Community Service Act of 1990)," after "the Consumer Product Safety Commission,".

(d) **PUBLIC HOUSING SECURITY.**—Section 207(c) of the Public Housing Security Demonstration Act of 1978 (Public Law 95-557; 92 Stat. 2093; 12 U.S.C. 1701z-6 note) is amended—

(1) in paragraph (3)(ii), by striking "ACTION" and inserting "the Corporation for National Service"; and

(2) in paragraph (4), by striking "ACTION" and inserting "the Corporation for National Service".

(e) **NATIONAL FOREST VOLUNTEERS.**—The first section of the Volunteers in the National Forests Act of 1972 (16 U.S.C. 558a) is amended by striking "ACTION" and inserting "the Corporation for National Service".

(f) **PEACE CORPS.**—Section 2A of the Peace Corps Act (22 U.S.C. 2501-1) is amended by inserting after "the ACTION Agency" the following: ", the successor to the ACTION Agency,".

(g) **INDIAN ECONOMIC DEVELOPMENT.**—Section 502 of the Indian Financing Act of 1974 (25 U.S.C. 1542) is amended by striking "and ACTION" and inserting ", the Corporation for National Service,".

(h) **OLDER AMERICANS.**—The Older Americans Act of 1965 is amended—

(1) in section 202(c)(1) (42 U.S.C. 3012(c)(1)), by striking "the Director of the ACTION Agency" and inserting "the Corporation for National Service";

(2) in section 203(a)(1) (42 U.S.C. 3013(a)(1)), by striking "the ACTION Agency" and inserting "the Corporation for National Service"; and

(3) in section 422(b)(12)(C) (42 U.S.C. 3035a(b)(12)(C)), by striking "the ACTION Agency" and inserting "the Corporation for National Service".

(i) **VISTA SERVICE EXTENSION.**—Section 101(c)(1) of the Domestic Volunteer Service Act Amendments of 1989 (Public Law 101-204; 103 Stat. 1810; 42 U.S.C. 4954 note) is amended by striking "Director of the ACTION Agency" and inserting "Chairperson of the Corporation for National Service".

(j) **AGING RESOURCE SPECIALISTS.**—Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended—

(1) in paragraph (1)—

(A) by striking "the ACTION Agency," and inserting "the Corporation for National Service,"; and

(B) by striking "the Director of the ACTION Agency" and inserting "the Chairperson of the Corporation";

(2) in paragraph (2)(A), by striking "ACTION Agency" and inserting "Corporation"; and

(3) in paragraph (3), by striking subparagraph (A) and inserting the following new subparagraph:

"(A) the term 'Corporation' means the Corporation for National Service established by section 191 of the National and Community Service Act of 1990."

(k) **PROMOTION OF PHOTOVOLTAIC ENERGY.**—Section 11(a) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5590) is amended by striking "the Director of ACTION,".

(l) COORDINATING COUNCIL ON JUVENILE JUSTICE.—Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "the Director of the ACTION Agency" and inserting "the Chairperson of the Corporation for National Service".

(m) ENERGY CONSERVATION.—Section 413(b)(1) of the Energy Conservation and Production Act (42 U.S.C. 6863(b)(1)) is amended by striking "the Director of the ACTION Agency".

(n) INTERAGENCY COUNCIL ON THE HOMELESS.—Section 202(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11312(a)) is amended by striking paragraph (12) and inserting the following new paragraph:

"(12) The Chairperson of the Corporation for National Service, or the designee of the Chairperson."

(o) ANTI-DRUG ABUSE.—Section 3601 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) the term 'Director' means the Chairperson and Director of the Corporation for National Service."

SEC. 403. DEFINITIONS.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(8) the term 'Corporation' means the Corporation for National Service established under section 191 of the National and Community Service Act of 1990;

"(9) the term 'foster grandparent' means a volunteer in the Foster Grandparent Program;

"(10) the term 'Foster Grandparent Program' means the program established under part B of title II;

"(11) the term 'Inspector General' means the Inspector General of the Corporation;

"(12) the term 'national senior volunteer' means a volunteer in the National Senior Volunteer Corps;

"(13) the term 'National Senior Volunteer Corps' means the programs established under parts A, B, C, and E of title II;

"(14) the term 'Retired and Senior Volunteer Program' means the program established under part A of title II;

"(15) the term 'retired or senior volunteer' means a volunteer in the Retired and Senior Volunteer Program;

"(16) the term 'senior companion' means a volunteer in the Senior Companion Program;

"(17) the term 'Senior Companion Program' means the program established under part C of title II;

"(18) the terms 'VISTA' and 'Volunteers in Service to America' mean the program established under part A of title I; and

"(19) the term 'VISTA volunteer' means a volunteer in VISTA."

SEC. 404. REFERENCES TO THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(1) Section 1092(b) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 12653a note) is amended—

(A) in paragraph (1)—

(i) by striking "Commission on National Community Service" and inserting "Corporation for National Service"; and

(ii) by striking "Commission shall prepare" and inserting "Board of Directors of the Corporation shall prepare"; and

(B) in paragraph (2), by striking "Board of Directors of the Commission on National and

Community Service" and inserting "Board of Directors of the Corporation for National Service".

(2) Section 1093(a) of such Act (42 U.S.C. 12653a note) is amended by striking "the Board of Directors and Executive Director of the Commission on National and Community Service" and inserting "the Board of Directors and Chairperson of the Corporation for National Service".

(3) Section 1094 of such Act (Public Law 102-484; 106 Stat. 2535) is amended—

(A) in the title, by striking "commission on national and community service" and inserting "corporation for national service";

(B) in subsection (a)—

(i) in the heading, by striking "COMMISSION" and inserting "CORPORATION";

(ii) in the first sentence, by striking "Commission on National and Community Service" and inserting "Corporation for National Service"; and

(iii) in the second sentence, by striking "The Commission" and inserting "The Chairperson of the Corporation"; and

(C) in subsection (b)—

(i) in paragraph (1), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Chairperson of the Corporation for National Service"; and

(ii) in paragraph (2), by striking "the Commission" and inserting "the Chairperson of the Corporation for National Service".

(4) Section 1095 of such Act (Public Law 102-484; 106 Stat. 2535) is amended in the heading for subsection (b) by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL SERVICE".

(5) Section 2(b) of such Act (Public Law 102-484; 106 Stat. 2315) is amended by striking the item relating to section 1094 of such Act and inserting the following:

"Sec. 1094. Other programs of the Corporation for National Service."

(b) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) Sections 159(b)(2) (as redesignated in section 104(b)(3) of this Act) and 165 (as redesignated in section 104(b)(3) of this Act), subsections (a) and (b) of section 172, sections 176(a) and 177(c), and subsections (a), (b), and (d) through (h) of section 179, of the National and Community Service Act of 1990 (42 U.S.C. 12653h(b)(2), 12653n, 12632 (a) and (b), 12636(a), 12637(c), and 12639 (a), (b), and (d) through (h)) are each amended by striking the term "Commission" each place the term appears and inserting "Corporation".

(2) Sections 152, 157(b)(2), 159(b), 162(a)(2)(C), 164, and 166(1) of such Act (in each case, as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653a, 12653f(b)(2), 12653h(b), 12653k(a)(2)(C), 12653m, and 12653o(1)) are each amended by striking "Commission on National and Community Service" and inserting "Corporation".

(3) Section 163(b)(9) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12635l(b)(9)) is amended by striking "Chair of the Commission on National and Community Service" and inserting "Chairperson".

(4) Section 303(a) of such Act (42 U.S.C. 12662(a)) is amended—

(A) by striking "The President" and inserting "The President, acting through the Corporation";

(B) by inserting "in furtherance of activities under section 302" after "section 501(b)"; and

(C) by striking "the President" both places it appears and inserting "the Corporation".

SEC. 405. REFERENCES TO DIRECTORS OF THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) CHAIRPERSON.—

(1) Section 159(a) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended—

(A) by striking "BOARD.—The Board" and inserting "SUPERVISION.—The Chairperson";

(B) by striking "the Board" in the matter preceding the paragraphs and in paragraph (1) and inserting "the Chairperson"; and

(C) by striking "the Director" in paragraph (1) and inserting "the Board".

(2) Section 159(b) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended by striking "(b)" and all that follows through "Director" and inserting "(b) MONITORING AND COORDINATION.—The Chairperson".

(3) Section 159(c)(1) (as redesignated in section 104(b)(3) of this Act) (12653h(c)(1)) is amended—

(A) in subparagraph (A), by striking "the Board, in consultation with the Executive Director," and inserting "the Chairperson"; and

(B) in subparagraph (B)(iii), by striking "the Board through the Executive Director" and inserting "the Chairperson".

(4) Section 166 (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653o) is amended—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) through (11) as paragraphs (6) through (10), respectively.

(b) DIRECTOR OF CIVILIAN COMMUNITY CORPS.—Sections 155(a), 157(b)(1)(A), 158(a), 159(c)(1)(A), and 163(a) (in each case, as redesignated in section 104(b)(3) of this Act) of the National and Community Service Act of 1990 (42 U.S.C. 12653d(a), 12653f(b)(1)(A), 12653g(a), 12653h(c)(1)(A), and 12653i(a)) are amended by striking "Director of the Civilian Community Corps" each place the term appears and inserting "Director".

SEC. 406. EFFECTIVE DATE.

(a) ACTION.—The amendments made by sections 401 and 402 (except subsection (c)(2)) shall take effect on the effective date of section 203.

(b) COMMISSION.—The amendments made by section 402(c)(2), and sections 403 through 405, will take effect on October 1, 1993.

The CHAIRMAN. Other than pro forma amendments for the purpose of debate, no amendment to the committee amendment in the nature of a substitute is in order unless printed in the portion of the CONGRESSIONAL RECORD designated for that purpose in clause 6 of rule XXIII prior to Tuesday, July 20, 1993.

The amendments en bloc caused to be printed by the gentleman from Michigan [Mr. FORD] shall be considered as read and shall not be subject to a demand for a division of the question.

Are there any amendments to the bill?

EN BLOC AMENDMENTS OFFERED BY MR. FORD OF MICHIGAN

Mr. FORD of Michigan. Mr. Chairman, I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FORD of Michigan:

Page 30, beginning on line 3, strike "paragraph (1)" and insert "subparagraph (A)".

Page 11, line 18, insert the following after "cash": "(including not more than 85 percent of the cost of providing a health care policy described in section 140(d)(2))".

Beginning on page 65, strike line 19 and all that follows through line 6 on page 66, and insert the following:

"(2) OPTION.—A State or other recipient of assistance under section 121 may elect to provide from its own funds a health care policy for participants that does not meet all of the standards established by the Corporation if the fair market value of such policy is equal to or greater than the fair market value of a plan that meets the minimum standards established by the Corporation.

Page 62, line 4, insert "who participates on a full-time basis" after "participant".

Page 63, strike line 6 through 11, and insert the following:

"(5) WAIVER OR REDUCTION OF LIVING ALLOWANCE.—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if such program demonstrates that—

"(A) such requirement is inconsistent with the objectives of the program; and

"(B) the amount of the living allowance that will be provided to each full-time participant is sufficient to meet the necessary costs of living (including food, housing, and transportation) in the area in which the program is located.

"(6) EXEMPTION.—The requirement of paragraph (1) shall not apply to any program which was in existence on the date of enactment of the National Service Trust Act of 1933.

Page 63, line 12, strike "(6)" and insert "(7)".

Page 70, strike lines 18 through 23, and insert the following:

"(4) WAIVER OR REDUCTION OF LIVING ALLOWANCE.—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if such program demonstrates that—

"(A) such requirement is inconsistent with the objectives of the program; and

"(B) the amount of the living allowance that will be provided to each full-time participant is sufficient to meet the necessary costs of living (including food, housing, and transportation) in the area in which the program is located.

"(5) EXEMPTION.—The requirement of paragraph (1) shall not apply to any program which was in existence on the date of enactment of the National Service Trust Act of 1933.

Page 70, line 24, strike "(5)" and insert "(6)".

Page 164, strike lines 5 through 7.

Page 172, strike lines 14 through 16.

Page 185, line 2, insert the following before the period at the end: ", and shall constitute assistance to an education program or activity for purposes of title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.)"

Page 199, after line 5, insert the following:

"(6) LIMITATION ON MEMBER PARTICIPATION.—

"(A) GENERAL LIMITATION.—Except as provided in subparagraph (B), a voting member of the State Commission (or of an alternative administrative entity) shall not participate in the administration of the grant program (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity) described in subsection (e)(9) in any period during which there is pending before the Commission (or such entity) a grant application submitted by a program or entity of which such member is, or in the 1-year period before the submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

"(B) EXCEPTION.—If, as a result of the operation of subparagraph (A), the number of

voting members of the Commission (or of such entity) is insufficient to establish a quorum for the purpose of administering such program, then voting members excluded from participation by subparagraph (A) may participate in the administration of such program, notwithstanding the limitation in subparagraph (A), to the extent permitted by regulations issued under section 192A(h)(10) by the Corporation.

"(C) RULE OF CONSTRUCTION.—Subparagraph (A) shall be construed to limit the authority of any voting member of the Commission (or of such entity) to participate in—

"(i) discussions of, and hearing and forums on—

"(I) the general duties, policies, and operations of the Commission (or of such entity); or

"(II) the general administration of such program; or

"(ii) similar general matters relating to the Commission (or such entity).

Page 211, line 24, strike "and" at the end.

Page 212, line 2, strike the period at the end and insert "; and".

Page 212, after line 2, insert the following:

"(10) for purposes of subsection (i)(2) and section 178(d)(6)(B), issue regulations to waive the disqualification of members of the Board and members of the State Commission (or of an alternative administrative entity) selectively in a random, nondiscretionary manner and only to the extent necessary to establish the quorum involved, including rules that forbid each member of the Board and each voting member of a State Commission (or of such entity) to participate in any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity of which such member of the Board or such member of the State Commission (or of such entity) is, or in the 1-year period before the submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

"(i) LIMITATION OF PARTICIPATION.—

"(1) GENERAL LIMITATION.—Except as provided in paragraph (2), a member of the Board shall not participate in the administration of the grant program (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity) described in section 121 in any period during which there is pending before the Corporation a grant application submitted by a program or entity of which such member of the Board is, or in the 1-year period before the submission of such application was, an officer, director, trustee, partner, full-time volunteer, or employee.

"(2) EXCEPTION.—If, as a result of the operation of paragraph (1), the number of members of the Board is insufficient to establish a quorum for the purpose of administering such program, then members excluded from participation by paragraph (1) may participate in the administration of such program, notwithstanding the limitation in paragraph (1), to the extent permitted by regulations issued under subsection (h)(10) by the Corporation.

"(3) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed to limit the authority of a member of the Board to participate in—

"(A) discussions of, and hearings and forums on—

"(i) the general duties, policies, and operations of the Commission (or of such entity); or

"(ii) the general administration of such program; or

"(B) similar general matters relating to the Corporation.

The CHAIRMAN. Pursuant to the rule, the amendments en bloc are not subject to a demand for division of the question.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, my amendments include the following provisions. First, language that reflects a compromise between all interested parties about the provision of health insurance to participants in programs. Under this agreement, service sponsors wishing to offer an insurance package not in conformance with program standards but willing to pay 100 percent of the cost of health insurance must offer a policy equivalent in value to that which the Corporation may devise and may credit the cost of that health insurance against their matching requirement. The amendment also includes an agreement reached with Mr. BALLENGER to eliminate even the perception of conflicts of interest among members of the proposed State commissions and members of the board of the proposed Corporation for National Service. The amendment also makes it clear that these programs are like educational programs in matters of gender discrimination and sexual harassment are covered by title IX. My amendment also includes a modification to the amendment offered in committee by Mr. OWENS to establish a minimum living allowance in stipended programs. In his modification, Mr. OWENS provides flexibility to grandfather in existing programs that offer less than the minimum allowance, and offers a waiver to programs that demonstrate that the minimum living allowance is inconsistent with the objectives of the program and that a lower stipend is adequate for participants to meet the necessary costs of living in the area in which the program is located. Finally, the amendment strikes the authorizations for the Public Lands Corps and the Urban Youth Corps created by amendments offered by Mr. MARTINEZ and Mr. MILLER to the bill. This provision reduces the direct cost of the bill by \$85 million.

As I indicated, Mr. Chairman, these provisions are the results of agreements between interested parties and are not controversial. I urge their adoption.

□ 1300

Mr. BALLENGER. Mr. Chairman, I move to strike the last words.

Mr. Chairman, as Representative FORD stated, included in this en bloc amendment is compromise language to prevent conflicts of interest on both the proposed National Corporation and the proposed State commissions.

Essentially this agreed upon provision would suspend a member of either

the Corporation or a State commission from any funding decisions while an organization, with which the member is affiliated, has an application pending. I am glad to say that it will go beyond mere recusal of members, because it has been my experience that recusal is not always effective at preventing conflicts.

I would like to thank the gentleman from Michigan and his staff for working with me on this provision. I only regret that this amendment solves only one small problem with this bill. However, I urge support for the en bloc amendment.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Michigan [Mr. FORD].

The en bloc amendments were agreed to.

AMENDMENTS, AS MODIFIED, OFFERED BY MR. FORD OF MICHIGAN

Mr. FORD of Michigan. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. FORD of Michigan: Page 18, line 20, strike "(14)" and insert in lieu thereof the following:

"(14) A program that seeks to eliminate hunger in communities and rural areas through service in projects—

"(A) involving food banks, food pantries, and nonprofit organizations that provide food during emergencies;

"(B) involving the gleaning of prepared and unprepared food that would otherwise be discarded as unusable so that the usable portion of such food may be donated to food banks, food pantries, and other nonprofit organizations;

"(C) seeking to address the long-term causes of hunger through education and the delivery of appropriate services; or

"(D) providing training in basic health, nutrition, and life skills necessary to alleviate hunger in communities and rural areas.

"(15)

Page 77, line 6, strike "FIVE-YEAR" and insert "TEN-YEAR".

Page 77, line 9 and 19, strike "5-year" and insert "10-year".

Page 157, line 16, insert after the period the following: "The Secretaries may also authorize appropriate conservation projects and other appropriate projects to be carried out on Federal, State, local, or private lands as part of disaster prevention or relief efforts in response to an emergency or major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)."

Page 167, after line 19, insert the following new paragraph:

"(5) The term "Secretary" means the Secretary of Housing and Urban Development or the Secretary of Transportation.

Page 167, beginning line 22, strike "appropriate executive departments of the Federal Government" and insert "Department of Housing and Urban Development and the Department of Transportation".

Page 168, line 1, strike "Secretaries of such departments" and insert "Secretary of Housing and Urban Development and the Secretary of Transportation".

Page 168, line 16, add after the period the following new sentence: "As part of the Urban Youth Corps established in the Department of Transportation, the Secretary of Transportation may make grants to States

(and through States to local governments) for the purpose of establishing, operating, or supporting qualified urban youth corps that will perform appropriate services projects relating to transportation resources or facilities."

Page 183, line 11, strike the close quotation marks and the final period.

Page 183, after line 11, insert the following:

"(c) TREATMENT OF ABSENCE.—The period of any absence of a participant from a service position pursuant to title I of the Family and Medical Leave Act of 1993 or subchapter V of chapter 63 of title 5, United States Code, shall not be counted toward the completion of the term of service of the participant under section 139 of this Act."

Page 212, after line 2, insert the following new subsection:

"(i) COORDINATION WITH OTHER FEDERAL ACTIVITIES.—As part of the agenda of meetings of the Board under subsection (a), the Board shall review projects and programs conducted or funded by the Corporation under the national service laws to improve the coordination between such projects and programs and the activities of other Federal agencies that deal with the individuals and communities participating in or benefiting from such projects and programs. The ex officio members of the Board specified in section 192(a)(3) are encouraged to jointly plan, implement, and fund activities in connection with projects and programs conducted under the national service laws to ensure that Federal efforts attempt to address the total needs of participants, their communities, and the persons and communities they serve.

Page 232, line 2, strike the close quotation marks and the final period.

Page 232, after line 2, insert the following new section (and conform the table of contents accordingly):

"SEC. 196a. LIMITATION ON AUTHORITY TO TAKE CERTAIN ACTIONS.

"Notwithstanding any other provision of law, the Corporation or the Chairperson, as the case may be, shall not—

"(1) allocate, expend, or transfer to any other Federal agency funds made available under this Act for construction, repairs, or capital improvements;

"(2) enter into a lease for real property; or

"(3) dispose of surplus real property;

without receiving prior concurrence from the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate."

Page 245, after line 16, insert the following new section (and conform the table of contents accordingly):

SEC. 204. ACTIONS UNDER THE NATIONAL SERVICE LAWS TO BE SUBJECT TO THE AVAILABILITY OF APPROPRIATIONS.

No action involving the obligation or expenditure of funds may be taken under a national service law (as defined in section 101(14) of the National and Community Service Act of 1990 (42 U.S.C. 12511(14))) unless and until the Corporation for National Service has sufficient appropriations available at the time such action is taken to satisfy the obligation to be incurred or make the expenditure to be made.

Page 265, line 2, strike the close quotation marks and the semicolon.

Page 265, after line 2, insert the following:

"(18) Programs that provide health, education, and welfare services that augment the activities of State and local agencies, to be carried out in a fiscal year for which the aggregate amount of funds available to such agencies is not less than the annual average

aggregate amount of funds available to such agencies for the period of 3 fiscal years preceding such fiscal year."

At the end of the bill insert the following (and conform the table of contents of the bill):

TITLE V—GENERAL PROVISIONS
SEC. 501. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act (including the amendments made by this Act) may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. 502. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided under this Act (including the amendments made by this Act), it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act (including the amendments made by this Act), the Secretary of Education shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 503. PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA

If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds appropriated to carry out this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. FORD of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. WALKER. Reserving the right to object, Mr. Chairman, I do not believe I will object, but I am just trying to figure out what pattern was used for deciding which amendments would be included in the en bloc amendments. These are matters which were believed to be noncontroversial, so, therefore, they were wrapped into the en bloc; the rest of the amendments were regarded as being items that were subject to some controversy, and so, therefore, could not be included in the en bloc amendments?

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield, no, these are matters raised by Members, not members of the committee after the committee had finished its consideration of the bill. Had they been

raised by members of the committee, they probably would have been adopted in the committee, so I have no objection to adopting them now. It was not our intention in asking for pre-printing of the amendments to find a way to keep from taking amendments. It was precisely so that we could go over all those proposed amendments in detail and determine how many we could accept without having to fight about things that there was no real controversy over. These are not controversial amendments, or I would not be accepting them.

Mr. WALKER. I think the gentleman has just agreed with me. In other words, the criteria on that was used for judging these amendments is that they are noncontroversial items. They were not regarded as subjects of controversy, that the rest of the amendments were regarded as being things that were going to be controversial in nature, so, therefore, they were left out of the en bloc amendment. Is that correct?

Mr. FORD of Michigan. Well, no. I think the gentleman would find it very unusual that out of 18 amendments printed we could accept all 18 of them. I have never seen that happen since I have been here. The gentleman has spent a lot of time here as a staffer before he became a Member and I do not think he has seen it either.

I think it is kind of extraordinary that we were able to accept a majority of the amendments offered through the Rules Committee, and I would hope we could move on with that kind of progress.

We are just trying to expedite the consideration of the bill and not waste a lot of time of the Members on amendments that are not controversial.

Mr. WALKER. Further reserving the right to object, Mr. Chairman, I guess I understand the gentleman.

I have an amendment that was not included in this particular list. I assume that by not including that amendment in this bloc, it assumes that that amendment is a subject of controversy and that the idea of military service is going to be something the committee is going to fight. I am just trying to get the lay of the land.

Mr. FORD of Michigan. I do not think we will have a fight over that either, because I do not think the amendment is in order.

Mr. WALKER. I see. Well, that will have to be taken up at the appropriate time. I believe it will be.

Mr. FORD of Michigan. It is the gentleman's opinion against mine at this point. Why not wait until we get to that point and see how it plays out?

Mr. WALKER. I see. But the criteria here was a matter of controversy on each of the amendments, and that the amendments not included were regarded as those that were going to be controversial, as I understand it.

Mr. FORD of Michigan. Well, the only thing controversial is my arbitrariness in trying to evaluate each of these amendments on behalf of the committee and saying if these had been presented to the committee, the committee would have accepted them. So let us not fight them.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD of Michigan. Mr. Chairman, I ask unanimous consent to modify the amendments en bloc to reflect a further agreement with the gentleman from Pennsylvania [Mr. GOODLING].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendments en bloc offered by the gentleman from Michigan [Mr. FORD].

The Clerk read as follows:

Modification of amendments en bloc offered by Mr. FORD of Michigan:

(1) in the matter to be inserted by the amendment on page 77, line 6, of the bill, strike "TEN-YEAR" and insert "SEVEN-YEAR"; and

(2) in the matter to be inserted by the amendment on page 77, lines 9, and 19, of the bill, strike "10-year" and insert "7-year".

□ 1310

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] is recognized for 5 minutes in support of his amendments.

Mr. FORD of Michigan. Mr. Chairman, I yield to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in strong support of the amendments offered en bloc by Chairman FORD. They are reasonable and offer significant improvements to H.R. 2010, the National and Community Service Act.

Voluntarism in America has been one of the foundations of public service. In an era of growing civic duty from younger Americans, we must not forget that wise and experienced senior citizens who are young in spirit are also willing to commit their time, skills, and patience to help rebuild our cities and towns.

Among the chairman's changes to the bill is one which I offered that would include among the programs of national significance under the Retired Senior Volunteer Program [RSVP] those programs that provide health, education, and welfare services augmenting those provided by State and local agencies.

For example, public libraries may need additional volunteers to read to young children who are learning to read. Similarly, some hospitals may require additional candy strippers to cheer up sick children, and so on.

Improvements of this sort to the fine work of the RSVP will add service to State and local agencies as an important priority of RSVP, which deploys over 500,000 senior volunteers in communities all over this land.

By targeting State and local agencies, we are recognizing the often desperate condition of our schools, hospitals, libraries, community centers, and other health, education, and welfare institutions and are enlisting the help of elder volunteers in extending the capability of these institutions. These organizations, which provide vital links across our Nation, need a helping hand, and senior citizens are reaching out to offer that hand.

It is important to note that these volunteers are in no way a substitute for full-time employees and should not be viewed as a substitute or replacement for proper spending on the part of State or local governments. RSVP has always been cognizant of its volunteers' role as service-enhancers not unpaid replacement workers, and no change in their role is condoned under this amendment.

My amendment builds on a very successful set of projects that link senior citizens with community-based public and nonprofit organizations. These projects sponsor volunteers across the country. In my district of Chicago and its western suburbs volunteers are currently assisting health care workers at the VA West Side Medical Center. Foster grandparents are consoling cocaine-addicted babies at the Cook County Hospital. Retarded children are being taught living skills at the Mary Alyce School while illiterate adults are being taught to read in Maywood. In these and many other ways the 500,000 senior volunteers are testimony to the positive effect that this national effort is already having addressing community needs.

Mr. Chairman, the Retired Senior Volunteer Program and other similar programs have proven to be effective at providing volunteer help to organizations in every State. By making this slight but significant change in this program we allow State and local officials to tap the rich experience of senior and retired Americans as they confront the challenges of providing health education and welfare services today.

Mr. FORD of Michigan. Mr. Chairman, these amendments to the committee-reported bill make modest improvements in the committee's work. I support them in the spirit of cooperation and bipartisanship. The amendments considered en bloc include the following:

An amendment, modified, by Mr. GOODLING, ranking Republican on the Committee on Education and Labor, to permit educational awards to be used within 7 years of the completion of service, rather than 5 years, as provided in the bill as reported.

An amendment by Mr. HALL of Ohio to establish as a new service category programs which seek to alleviate and eliminate hunger.

An amendment by Chairman MINETA to clarify that the Urban Youth Corps contemplated by the bill would reside in the Department of Transportation and the Department of Housing and Urban Development.

An amendment by Chairman MINETA relating to the improvement, leasing, and disposition of property by the Corporation for National Service.

An amendment by Mr. WATT to improve the coordination of national service programs with the activities of Federal agencies.

An amendment by Mrs. COLLINS of Illinois adding to programs of national significance in the Retired Senior Volunteer Program, programs that provide health, education, and welfare services that augment the activities of State and local agencies.

Two amendments by Mr. TRAFICANT to require program sponsors to comply with buy-America provisions in using funds appropriated under the act and to require that any person found to have mislabeled goods "Made in America" be ineligible to receive funds under the act.

An amendment by Mr. VENTO to permit disaster prevention and relief efforts in response to an emergency or major disaster to be carried out on State, local, or private lands, rather than on only Federal lands as provided in the bill.

An amendment by Mr. DELAY to provide that no leave provided to a program participant under the Family and Medical Leave Act may be counted toward the fulfillment of a term of national service.

And finally, an amendment by Mr. GINGRICH to provide that no action involving the obligation or expenditure of funds under a national service law may be taken until the Corporation for National Service has sufficient appropriations available for that purpose.

Mr. Chairman, I urge adoption of these en bloc amendments.

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

Mr. Chairman, I filed an amendment to H.R. 2010 that would have extended the time a National Service participant would have for the use of the postservice education award from 5 years to 10 years. The amendment was designed to provide nontraditional students—which will be most of these, I would not be a bit surprised, or students who may have to delay their education—with some additional leeway to use their awards.

The amendment would also have enabled students who may not have had the need for such assistance during their undergraduate years to use such an award to pursue their graduate studies; however, I will not be offering an amendment as the gentleman from Michigan [Mr. FORD] has agreed to accept a modified form of it which extended the time of use of the education award for 7 years. I thank him for incorporating into the bill what I believe is a useful change that will provide needed flexibility, particularly to the nontraditional student.

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

Mr. Chairman, I rise in support of the en bloc amendments offered by my

good friend and distinguished colleague, Chairman BILL FORD. Included in this package of amendments are two provisions on which I worked with the gentleman.

The first provision is designed to encourage and clarify participation by the Department of Transportation [DOT] and Housing and Urban Development [HUD] in State and local youth and conservation corps programs.

I would also like to commend the gentleman from California [Mr. MARTINEZ] for his efforts on behalf of this amendment.

Mr. Chairman, I have personally visited youth corps facilities in my home State of California and I must tell you that I was overwhelmed by the commitment and desire demonstrated by the young people in this program. The Youth Corps Program is designed to offer meaningful, full-time work to individuals ages 16 to 25.

This program is exceptional because it goes beyond the laudable goal of a jobs-for-teenagers program. Young people participating in youth and conservation corps programs have the opportunity to acquire basic life experiences, enhance citizenship values, and develop skills while performing service to their communities.

The purpose of this amendment is to allow and encourage DOT and HUD to establish youth corps related programs. This amendment is permissive. It does not mean that either Department must set up a separate office within the agency to handle a program. We fully intend to allow the Department Secretaries flexibility when interacting with State and locally established youth corps.

I am aware that Transportation Secretary Peña has expressed some concern that his agency "does not have a program structure that would easily accommodate the establishment of a jobs program for urban youth" because DOT does not directly contract for work on federally funded transportation projects.

Again, this is exactly why we have tried to build in flexibility for the administration. DOT does have limited contracting opportunities under the Federal Lands Program. DOT also provides funds to States directly for transportation enhancement activities which can be anything from historic site preservation to constructing and landscaping trails and facilities for pedestrians and bicycles. We want to allow DOT to establish a program which would allow for youth corps participation in these types of projects.

Mr. Chairman, this amendment seeks to employ young people and give them a sense of community and responsibility while also improving our Nation's infrastructure. The gentleman from Michigan [Mr. FORD] and the gentleman from California [Mr. MARTINEZ] should be commended.

The second amendment included in the en bloc amendment addresses the issue of oversight of the real estate activity by the National Service Corporation established by this legislation.

The Committee on Public Works and Transportation, and, in particular, the Subcommittee on Public Buildings and Grounds, has been diligently working to coordinate and streamline various Federal property activities, such as repairs and alterations, leasing, building acquisition, and property asset management. The goal is to realize more efficiency and, therefore, save scarce taxpayer dollars. This amendment is consistent with these goals. It will ensure that a comprehensive, cohesive policy is followed and that there is appropriate review of all Government real estate activities, and the funding associated with each activity.

Mr. Chairman, I fully expect to work closely with both the majority and minority on the Education and Labor Committee as well as the minority on the Public Works Committee as we pursue this issue in conference. At this time, this amendment is a placeholder so that we all can pursue and resolve this issue to our mutual satisfaction.

Again, I want to thank the gentleman from Michigan for his leadership on these issues and I urge my colleagues to support the en bloc amendment and final passage of H.R. 2010, the National Service Trust Act of 1993.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the en bloc amendments.

Mr. Chairman, I will not take the full 5 minutes, but I would just rise to commend the chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. MINETA], for offering his amendment. As the amendment was originally offered in the committee, it did include these two agencies in it because of the joint jurisdiction that it would have created, and in order to expedite the bill, Mr. Chairman, we removed and only referred to those as appropriate agencies and, in report language, signified which of these agencies we are talking about as appropriate agencies. This is much better as it states emphatically in the bill itself that these two agencies are included, and for that I appreciate the willingness of the gentleman from California [Mr. MINETA] to work with us to do that, along with the gentleman from Texas [Mr. GONZALEZ], the chairman of the Committee on Banking, Finance and Urban Affairs who also had joint jurisdiction.

Mr. HALL of Ohio. Mr. Chairman, I first of all want to commend the gentleman from Michigan [Mr. FORD] and the Education and Labor Committee for their fine work on this legislation. I would also like to commend President Clinton for proposing this idea of National Service. The National Service Trust Act is a very wise and important bill; we are taking

care of many of America's pressing needs and, at the same time, building a sense of community among our people. I have no doubt, Mr. Chairman, that the National Service Trust Act will help build an economically and morally stronger America.

America has many unmet needs. One of the most important of them is the need to feed our hungry. For that reason, I urge my colleagues to support my amendment to H.R. 2010, which is included in Chairman FORD's en bloc amendment, to allow service in a project to feed the hungry to count as an eligible activity in the National Service Trust Program.

The National Service Trust Act requires that programs eligible for assistance "address unmet, human, educational, environmental, or public safety needs." With an estimated 30 million hungry people in America, America clearly has an unmet human need. Food, I believe, is the most basic of human needs, the most basic of human rights. As I learned on my first and during my service as chairman of the House Select Committee on Hunger, hunger in America is real and has profound consequences on one's ability to work, do well in school, and properly raise a family.

My amendment to eliminate hunger allows service in a project of a community or rural area that: First, involves food banks or pantries; second, involves the gleaning of food that would otherwise be left to rot in fields; third, seeks to and fourth, provides training in basic health, nutrition, and life skills necessary to alleviate hunger.

With this bill and my amendment, we have a great opportunity to combine fighting hunger with community service and building a stronger America. I commend the gentleman from Michigan [Mr. FORD] and President Clinton for their leadership, and I urge my colleagues to support this most important bill.

AMENDMENT TO H.R. 2010, AS REPORTED,
OFFERED BY MR. HALL OF OHIO

Page 18, line 20, strike "(14)" and insert in lieu thereof the following:

"(14) A program that seeks to eliminate hunger in communities and rural areas through service in projects—

"(A) involving food banks, food pantries, and nonprofit organizations that provide food during emergencies;

"(B) involving the gleaning of prepared and unprepared food that would otherwise be discarded as unusable so that the usable portion of such food may be donated to food banks, food pantries, and other nonprofit organizations;

"(C) seeking to address the long-term causes of hunger through education and the delivery of appropriate services; or

"(D) providing training in basic health, nutrition, and life skills necessary to alleviate hunger in communities and rural areas.

"(15)

Mr. VENTO. Mr. Chairman, I rise in support of the Ford en bloc amendment.

My sincere thanks to Chairman BILL FORD, of the Education and Labor Committee, for his leadership on the National Service Trust Act.

The Ford en bloc amendment contains the Vento amendment which I prepared and which would authorize the Public Lands Corps to carry out disaster prevention and relief projects in response to presidentially declared disasters. I am pleased that the chairman has agreed to incorporate my amendment into the en bloc amendment.

Mr. Chairman, we have all watched the widespread flooding take a savage toll on the farms, communities and people of the Midwest. Thousands of square miles of farmland are under water, roads and train tracks and other arteries of commerce have been washed away, and main streets of small towns and large cities have been turned into swamps. The human toll on the people of the Midwest has also been great, tempered only by the heroic efforts of individuals and organizations from across the country who have lent a helping hand in this time of need.

My amendment would provide an avenue for participants in national service to help meet the needs of those suffering from large scale disasters. Currently the Public Lands Corps is limited to working on conservation projects on Federal lands administered and owned by the Departments of Agriculture and Interior. This amendment would provide the secretaries of Agriculture and Interior with the authority to go off Federal lands to assist in emergencies such as floods, hurricanes, fires, and other disasters which don't respect property ownership lines. Disaster prevention and cleanup would be appropriate work for the Public Lands Corps since this workforce would be mobile, well trained, and accustomed to doing labor intensive work. They could be mobilized quickly and stay over the long haul when other volunteers have to leave.

While I hope our Nation can get a break from these large scale disasters which have been plaguing us in the past few years, experience tells us that we must be prepared to respond with a range of authorities and programs if that time comes again. I thank the chairman for including my amendment in the en bloc amendment.

The CHAIRMAN. The question is on the amendment as modified, offered by the gentleman from Michigan [Mr. FORD].

The amendments, as modified, were agreed to.

AMENDMENT OFFERED BY MR. GOODLING

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

The Clerk read as follows:

Amendment offered by Mr. GOODLING:

Page 83, line 8, insert before the semicolon the following: "or an unsubsidized loan pursuant to section 428H (20 U.S.C. 1078-8)"

Page 86, beginning on line 17, strike out paragraph (6) and insert the following:

"(6) MAXIMUM AWARD NOT TO EXCEED FINANCIAL NEED.—The portion of an eligible individual's total available national service educational award that may be disbursed under this subsection for any period of enrollment shall not exceed \$5,000, and shall not, when combined with any other student financial assistance available to the individual (excluding any loan to such individual or such individual's parents), exceed the student's financial need as determined under part F of title IV of the Higher Education Act of 1965.

Page 90, after line 19, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(4) ELIGIBILITY FOR PERKINS LOANS.—Section 464(b) of the Higher Education Act of 1965 (20 U.S.C. 1087dd(b)) is amended by adding at the end the following new paragraph:

"(3) The amount of the loan to any student for any academic year shall not exceed the difference between—

"(A) the student's estimated cost of attendance (as determined under section 472); and

"(B) such student's estimated financial assistance (as determined under section 428(a)(2)(C)(i))."

Mr. GOODLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Chairman, I preface my comments concerning this amendment by saying that I think it is a pretty, pretty sad day in the history of this House of Representatives. I have spoken to so many people about this amendment, most of which say, "Bill, you are right, the policy is correct," but they try to find an excuse not to accept it based not on what it does, but because they have made a partisan political decision that this is the way it should be, and that is a tragedy.

For those people who have served with me in this House for the last 12½ years, Mr. Chairman, I am sure can very quickly identify with the thought that President Reagan, Secretary Bennett, Secretary Alexander surely would have been very, very happy if Congressman BILL GOODLING would have gone along with every policy decision that they made and that they sent up to this Hill concerning education and nutrition. But I did not because policy decisions are too important to just be tossed aside because of partisan politics.

□ 1320

For those who represent low-income, low-middle-income, and middle-income America, I would hope you would listen very carefully to what this amendment does and does not do. These are the arguments that you will hear. There will be those who say, "Oh, but people will have to take the indebtedness first, before they can get the grants."

Now, that would mean that they have not carefully read the bill, because the bill conforms to title IV of the Higher Education Act. We even improve on that to make very sure that even the Perkins loans would come after all the grants. So anyone who uses the argument that somehow or the other my amendment would have these people go into debt before they receive the grant benefits, are positively incorrect in that assessment.

Second, you are going to hear people say that we need the social mixture—the social mixture. In other words, what a Member from Brooklyn might be saying is that we need the Rockefeller children, we need the Trump children, we need the Iacocca children, to participate in this program, to come in and work side by side, so that they can receive the educational benefit that the needy in Brooklyn or Chicago

or Los Angeles should be getting, because the money has to come from somewhere, and that is exactly where it comes from.

They have already said that we cannot continue State grants. They have already said we have to have a sizable reduction in our student work program. All of these are programs that help the needy.

Well, the next argument, then, you will get in relation to that is, "Well, the money does not come from the Education and Labor appropriation."

Mr. Chairman, there is only one pot of money out there. There is only one pot of money. It has to come from somewhere. So it does not matter whether you say it comes from this appropriation bill or that appropriation bill. You have to make the cuts in order to provide that money, and that is what is being done.

That is why I say, those Members who represent low income, middle income, low middle income, I would hope they would look seriously at my amendment.

At this particular point in connection with that I would read:

The President of the United Negro College Fund last week attacked the program. The proposed program "provides economic assistance precisely where we don't need it," said William H. Gray, II, at the annual meeting of the Council for the Advancement and Support of Education. "The National Service Program would help people without regard to income pay for college or repay student loans in exchange for community service." Mr. Gray said, "It would be a huge new demand on limited federal resources."

And that is what I am trying to say. There are others who would liken this unto the GI bill, and I cannot imagine how somebody can mix apples and oranges with a straight face. It has no resemblance to the GI bill whatsoever.

The responsibility, once you sign up for that military, you do not walk away from. You might walk away from it and be hounded the rest of your life, but you do not walk away from it. You pay one hundred bucks in a month out of your salary for 12 months. You are committed to 2 years of active, 4 years of reserve, or 3 years of active service.

Mr. Chairman, there is just no comparison. You do not get sent off to Macedonia 300 strong to be picked off like pigeons on a rooftop. You do not get sent off to fight warlords in Somalia. It is not a humanitarian effort now, fighting warloads. It is a totally different concept.

So I would hope that Members would look carefully at this. As I said from day one, my major concern about the legislation is that the money has to come from somewhere. So it has to come from those in need in order to give these grants to those who are not in need.

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

(By unanimous consent, Mr. GOODLING was allowed to proceed for 5 additional minutes.)

Mr. GOODLING. Mr. Chairman, let me clarify something additionally at this particular point. No one asks anyone what their income is or what the income of their family is when they apply to participate in this program. No one asks that. That does not play any factor whatsoever.

It is not until many years down the pile where my amendment would bring that into being. At that time many of these people will qualify independent of parental income. They will probably marry, they will probably have children. They will probably not be basing anything on the income of their parents.

That question is not asked until years down the pike. It could be 2 years, it could be 3 years, it could be 5 years down the pike. With my amendment, it could be 7 years down the pike before that question is ever asked.

So let us then specifically talk about what it is I do in the amendment. First of all, it would not limit any individual from participating, regardless of income. I just explained why that is true.

Basically what I say is at the time you apply for your benefit to participate in some post-secondary program, you go through the same needs analysis that 3 to 4 million others do at that particular time. As I indicated, probably by that time many of these people will qualify. Therefore, you cannot use the argument that, we will not get a mix, because, first of all, as I said, you do not ask that question until 3 years down the pike. So you get the initial mix up front. You also get it, because in our Higher Education Act we have made it very clear during last reauthorization that if you are a family of four with \$70,000 to \$80,000 in income, depending on the college or university you may attend, you may qualify, which give you, again, a beautiful mix.

So let me summarize by saying that I basically say at the time you request the educational benefit, you then go through the needs analysis that everybody else does in order to receive that benefit. If you qualify, you receive all the grant money before one penny of loan is taken and ever becomes part of your package.

So let me just again say that if you are serving an area with low income, low middle income, or middle income, I would hope you would think seriously, because, as I said the other day, this is Robin Hood in reverse. There is no question about it. The money must come from somewhere, and we are already seeing the contracting of the amount of money available for those in need.

I would hope that we could get a positive vote on this so that I, too, could be a supporter of this program.

Mr. MCCURDY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Goodling amendment. I do so with some reluctance, because I have a great deal of respect for the gentleman from Pennsylvania. There are many times we have agreed on some issues, and, obviously, this is one of those times that we do not agree.

We have heard a lot of debate over the past few days about national service. As I said last night during the debate on the rule, there is a lot of misconception about what national service really is.

The President of the United States, who is the chief supporter of national service in the country today and has helped move this issue to where we are, has challenged young Americans to service—challenged to service.

□ 1330

He has not gone out and said, "This is a massive way to repay back college loans." This is not a loan program.

We have heard much stated about this is paid voluntarism. National service is not intended to be a volunteer program. It is volunteered national service, but the emphasis is on the word "service."

The President talked about, during the campaign they kept reminding him that it was "the economy, stupid." Well, in this one we have to say, "It is the service, stupid." It is not a loan repayment program. It is not a job program. It is not a volunteer program. We had the 1,000 Points of Light, which was commendable, but that is not what this bill does.

This bill is service. We are challenging young Americans to serve their country and give something back for the rights and opportunities that we have that also instill and foster the ethic of citizenship and the ethic of individual responsibility and mutual responsibility, trying to emphasize community over individuals.

The gentleman from Pennsylvania made an interesting statement, said that he had a hard time equating national service with the GI bill. He said in the military, young people, men and women—which, by the way, are going to have fewer opportunities for success and upward mobility because we are cutting the military back so drastically—he said that the difference is that they are placed in harm's way; they are going to Macedonia, 300 of them.

As a member of the Committee on Armed Services and a former member of the Permanent Select Committee on Intelligence, let me tell my colleagues, these young people are going to Washington, DC. They are going to south L.A. They are going to Philadelphia. They are going to inner cities. They are there today.

There are Members who talk about terrorism around the world. We talk about Belfast, Northern Ireland. What a terrorist location that is.

My colleagues, since this year, up until June, there were 11 murders in Belfast. Up until June, there were 238 murders in Washington, DC. These young people are going to the front lines. They are providing service, and they are at risk. They are coming out of their homes, many times divided homes. They are coming out and putting their commitment, placing their commitment to try to improve the way of life in this country.

They are taking a year out of their time, perhaps 2, and for that we say, "Well, volunteer. We are not going to give you any benefit at the end of that, comparable to what we offer the military." I think that is an absurd position.

What we have to do in this Congress today is refocus what the challenges are in America today.

One of the reasons I refute the Goodling position is that by only means testing this we are defeating the concept and one of the real benefits of service.

If Members have spent a great deal of time, as I have, and I think a number of us have, over the past few years in a lot of States, last year alone in 23 States, a lot of cities, there is a lot of pathology out there today. There is a sense of loneliness and despair. There is a sense of hopelessness by many.

There are young people who do not know what they can do or where they want to go. I believe national service is one of the ways to help bring together people from less privileged homes, less privileged conditions, and those who are from very privileged.

I was in Boston at the Boston City Year Program, one of the pilot programs for national service. There were two particular young people that spoke to some of us who were there.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MCCURDY] has expired.

(By unanimous consent, Mr. MCCURDY was allowed to proceed for 5 additional minutes.)

Mr. MCCURDY. One young man was a Latino gang member, who was participating in this program. With him, one of his teammates in this was a graduate of Exeter.

Now, why do we have kids from privileged backgrounds dealing with kids who have different circumstances? The idea is, they learn to work together. They learn about the differences in their upbringing, little differences in their philosophy, outlook on life, hopes, and aspirations. And they look to what the vehicles of opportunity are.

The benefit of that program is the fact there was a mix. But they are both serving. They are both giving a year of their time.

The young person from Exeter probably could go to one of the finest universities in America, probably have it

paid for. But that young person said that "I may be taking a year out of my life; I may actually be reducing my opportunity vis-a-vis my classmates and others who may be on a faster track, but I will learn from that and I will be better prepared."

The other person, obviously, saw the benefits of the discipline, the service, and the opportunity to serve in that community.

Mr. Chairman, as I have said before, this is not a loan repayment. This is our country rewarding young people for serving their communities.

I recently participated in a national service conference with my distinguished colleague, the gentleman from Connecticut [Mr. SHAYS], in Illinois, at the Catigny Conference Center. This was named after a World War I battle site. A lot of retired military were there. They were probably interested in some of the comments that would be made here today about veterans and the military. This is not going to undercut military recruiting in America or compete with veterans' services. There were a number of retired admirals and generals that participated.

The conference came out with two recommendations. One is, "National service offers intangible rewards to both participants and the communities. It also provides very tangible help with community social needs. The conferees agreed that participants in the National Service Program deserve tangible rewards as well."

They also said, "Agreed that inclusivity is essential. Service programs should not be targeted to narrow constituencies. One of the values of national service is the experience it offers participants of rubbing shoulders with people different from themselves. This implies that stipends should provide adequate support so that anyone who wants to will be able to serve."

Mr. Chairman, I, again, urge my colleagues to oppose the amendments that are offered today and to support this bill.

Mr. Chairman, it is probably obvious that I am very much involved in this debate and very committed to this bill. I would like a point of personal privilege here for just a minute, in addition.

I want to thank everyone that has been involved. When we come to Washington, Members of Congress have to make some choices. If they are from the West or Southwest, where I am, we also have to make two choices. One of those choices is where to locate their family.

When I was elected in 1980, we chose, my wife and I, to locate our family in the Virginia suburbs because of school and opportunities to be with children.

The other choice we have to make is sometimes events occur and circumstances that conflict with things that we feel very deeply about. Well, the irony of ironies is that today, after

all the work and trying to get this bill to the floor, I have one of those conflicts.

I am going to beg the indulgence of my colleagues, because I am going to have to be absent myself from this debate, because my 15-year-old son is playing at 5 o'clock, 12 miles from the North Carolina border, from my friend, in South Hill in Virginia in the 15-year-old Babe Ruth State Championship Game baseball.

I tell Members, I am going to be there instead of here. I appreciate their indulgence.

Again, I urge strong support for this bill and rejection of the amendment.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Pennsylvania. This amendment seeks to apply the financial needs analysis used by Federal student financial aid programs to the educational award earned by national service participants. This would drastically reduce participation in the National Service Program.

If this amendment is passed, all young people would be eligible to perform national service. But only those students who are already eligible for direct student financial aid programs would receive a benefit in return for their service. Low-income students would be faced with the following decision: Perform community service for 1 year and receive a stipend and educational award or receive a Pell grant for no service. Middle-income students wishing to participate would be required to sacrifice 1 to 2 years to perform community service in return for a less-than-minimum wage stipend and no educational award.

Under these circumstances, who would participate in national service? Will it be students who already qualify for financial aid with no obligation? Or students who don't qualify for aid but must acquire loans and work their way through school? Which group will choose national service? I fear that this amendment will result in little or no participation.

National service is not a student financial aid program. National service is about mutual obligation. It is based on this country's guiding principle: You sacrifice for your country, and you receive a benefit in return. Young people performing the same service to their country should receive the same benefit, regardless of financial status. I urge my colleagues to oppose this amendment.

□ 1340

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

Mr. Chairman, a lot of people do not recognize that this bill is very limited in the manner in which it is funded. It is estimated it would only involve 25,000 students, approximately, in the first year, and it would cost about \$400 million.

What I would like to say is, this money would go a lot further and would cover a lot more students if those that can afford to pay for a college education would pay for it. My compatriot, the gentleman from North Carolina, may remember back in the days when we were in the State senate

together, that we had a thing called the Science and Math School in Durham. It turned out that the daughter of my next-door neighbor, who was one of the best-paid lawyers in the State of North Carolina, won an award to go to this school, and when I found out that they were getting it absolutely free, I introduced a bill in the State senate to say that if you could afford to pay the bill, you ought to pay the bill.

The power structure in the North Carolina Legislature shot me down, and I think that it probably will shoot this amendment down. However, I do think that if we really care about trying to offer this product, or whatever we want to call it, to more students than are presently available, those that can afford to pay for college ought to pay their own way.

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

Mr. BALLENGER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding to me.

Mr. Chairman, I did want to make a few observations, after the last speech. Challenge to service was one of the comments that was made. We did the same in the Peace Corps. We did not offer any educational grants in order to challenge them to service. I do not take away any stipend, I do not take away any health benefit, just needs testing when we get to the educational benefits.

The fact was also alluded to that these people will be going to this place and that place, et cetera. We could say that is similar to going to Macedonia and Somalia, except for one great big exception. If you do not like it in any of those cities or in any of those rural areas you go to, you can go back to Oklahoma. If you try to do that in Somalia, if you try to do that in Macedonia, it is just not going to work.

If it is truly necessary to entice individuals to participate in a National Service Program by offering them a benefit that they do not need, then it seems to me we would have to rethink the whole idea of this program. I would like to read another paragraph from the speech of the president of the United Negro College Fund.

"The \$7.4 billion program, which would help an estimated 150,000 rich and poor students over 4 years, could be better spent on programs designed specifically for the disadvantaged," he said.

"Under the existing Pell Grant Program, you could provide 5 million more people opportunities for higher education," for the same amount of money that you are providing 150,000.

Again, nothing is taken from the stipends that they receive for the work that they do with my amendment. Nothing is taken from the health benefits. Nothing is taken at all until they get to the point where they are ready

to go to some postsecondary higher education program. Then they would fall into the needs test that all other 3 to 4 million people fall into.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. WATT].

Mr. WATT. Mr. Chairman, I was going to offer and submit for the RECORD a statement on a prior amendment.

I also want to express my opposition to this amendment.

Mr. Chairman, let me first commend Chairman FORD for his excellent job in getting this legislation before us today. This is a very important bill and I am glad we are getting the opportunity to act on it so quickly.

My amendment is not controversial. It simply mandates that when the Board of the Corporation created under H.R. 2010 meets, it must review projects and programs conducted under the national service laws with the goal of improving coordination between the agencies overseeing these laws and other agencies which may also be dealing in some other capacity with the individuals or communities involved. Further, the Department Secretaries and agency heads who serve as ex officio members of the board of directors of the Corporation are directed to jointly plan, implement, and fund activities in connection with projects and programs conducted under the national service laws with an eye toward addressing the total needs of participants, their communities and the persons and communities they serve.

Over and over again, in testimony before Congress and throughout my district, I hear the same complaint: Federal programs fail to be as effective as they could be for two reasons. First, they are usually designed to address only one aspect of human and community problems, which are invariably complex and interrelated. Second, the different agencies implementing the programs have rarely stopped to ask each other how they might work together to address the overall needs of the communities and individuals they are serving. By requiring cross-departmental consultation and collaboration in the implementation and oversight of national service, my amendment will help these programs be amongst the first to operate under this innovative approach to Government.

The idea behind this approach is not novel. In fact, the Clinton administration has talked a lot about this need to work across department and program lines to address the overall problems that exist in communities. That was one of the reasons for the creation of the Economic Security Council and for the new life breathed into the Domestic Policy Council. But this amendment will provide the authorization to put this approach into effect and ensure that no matter who is in office, the executive branch will take into account the total needs of the people we are trying to serve through national service.

I urge my colleagues to join with me in supporting this common-sense approach to good government.

Mr. FORD of Michigan. Mr. Chairman, I have no question about the sincerity of the gentleman from Pennsylvania, but quite honestly, student aid is not where he has spent most of his time on the committee. If the gentleman had talked to me earlier about this, I could possibly have worked with him to understand better what the needs analysis is and how it works.

Participants who perform identical work really ought to receive identical benefits. The Goodling amendment would preclude this. I would like to give the Members three examples of how this comes about.

Let us look at a college student's family in Pennsylvania, with two parents, two children, one in college who is a student with a minimal income. The parents have no major assets other than a home or a family farm.

The average cost of attendance for a community college is \$4,500; for a public institution, a 4-year college, it is \$5,500; and for a private 4-year college, it is \$14,800.

If the typical student from our so-called typical family that I have just constructed for the Members had earned a national service award and was attending a public institution, he or she would have the \$5,000 award reduced if his or her parents earned more than \$23,500. They would receive no award if their parents earned more than \$48,000.

If our typical student had earned a national service award and was attending an expensive private institution, they would have their \$5,000 award reduced if his or her parents earned more than \$63,500, and they would receive no award if the parents earned more than \$80,000.

If our typical student had earned a national service award and was attending an average-priced community college, they would have their \$5,000 award reduced no matter how little their parents earned. They would receive no award if their parents earned more than \$45,000. This is returning to the bad old days of 1981, of trying to define people in and out of educational opportunities by parental income. It is wrong.

I do not believe that the gentleman from Pennsylvania [Mr. GOODLING] supported that when it was thrust upon his back in 1981, and I know he supported in the last Congress the lifting of those limits to recognize, even in the needs analysis that he now would apply to the benefits under this bill, the middle class. It got rather silly, as a matter of fact, during the last Congress if a stranger walked into the room to see the big-spending liberal, BILL FORD, arguing for the middle-class and the upper-class student to have access to college, and the champion of the middle class, the gentleman from Pennsylvania [Mr. GOODLING], arguing that only the poorest student should get any benefit.

There is not a meanness involved in this, but there is a destruction of what is very important to the working of this program. Means testing automatically limits the diversity of participation and undermines the effort to instill an ethnic of service in all Americans without regard to their status established by their parents' income.

The bill includes specific outreach programs and targets funds to areas of economic distress, and places a priority on the recruitment of participants from areas of economic distress, but it is not a poverty program. It is not a welfare program. It does not take the paternalistic attitude that only people in low income should be afforded an opportunity to national service, and that these people, because they are the neediest, would respond in sufficient numbers to fill the program with only one class of people.

There are effective mechanisms in the legislation, as it has been drafted, to ensure diversity in the makeup of the people in national service. Unfortunately, the unintended effect of the amendment of the gentleman from Pennsylvania [Mr. GOODLING] would be to destroy that diversity.

I ask the Members to defeat the amendment.

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

Mr. Chairman, I really did not come here to debate this amendment, but I want to address a couple of things that the gentleman from North Carolina [Mr. BALLENGER] said, since we were in the State Senate together in North Carolina, and I opposed his amendment when he was trying to means test admission to the Math and Science Institute. I oppose the gentleman's amendment for the same reason.

The purpose of the Math and Science Institute, of course, was to get students, irrespective of background, into math and science. The purpose of this bill is to get students, irrespective of background, into service, into service to our communities.

□ 1350

And it seems to me that we would be doing a grave disservice to means test this.

Since I am on the floor and responding, there has been some reference made to the motion that this money could be taken and serve a lot more needy people, and perhaps if the amendment were addressed to transfer the funds for that purpose I might be more favorably inclined toward that argument. But with all respect, this amendment simply takes it out. It is not an either/or situation. It is either eliminate the money or keep it in for this fine purpose. And I would discourage support for this amendment.

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

Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I thank the gentlewoman for yielding. I just wanted to indicate that I think the chairman's argument is with the needs analysis in the Higher Education Act, not my amendment, because that needs analysis is the cost of attending minus parent/student contribution, and that equals the need. So if you choose a community college, of course that need may be different than if you choose a private institution.

My amendment just preserves the freedom of choice as it is in the Higher Education Act. I do not change that at all.

I thank the gentlewoman for yielding.

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

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

Mr. Chairman, this is a rather astonishing debate. For months on the House floor we have heard about all of these bad, nasty people who exist in the country called the rich, that the rich and the well-to-do are people that should be bludgeoned in any way possible to assure that they are not capable of investing in the jobs of the future, that these rich people have ripped off the country for the past 12 years, and that something needs to be done to stop that rip-off from taking place.

So guess what we come to the House and find out today? Today we find out that what we are going to do is subsidize them. That is a rather incredible way of handling our national problems.

Now, understand what we are doing here. We are adding 25,000 new Federal employees to the payroll with this bill. Now what we are saying is that among those 25,000 new Federal employees we are going to take some of the well-to-do and the rich and we are going to subsidize their college educations as a result of this new program. And guess who is going to pay the bill for all that subsidization? It is the middle-class families that are paying on an average of \$5,000 apiece, per family in income taxes. That is right, they are going to pay their \$5,000 in income taxes so that we can add 25,000 people to the payroll and subsidize the college educations of Donald Trump's kids.

If you take that proposition to the American people, my guess is that they would laugh you out of the room. But what we do is we cover it in this fuzzy, warm feeling that everybody is going to be doing national service.

This national service is nothing but bigger Government. I understand some of my colleagues come here with the philosophy that the bigger the Government is the better it is, and the better the country is if we have bigger Government. So they are determined to

add 25,000 new Federal employees, because in their philosophy those 25,000 employees will make for a better country.

I do not think much of America agrees with that philosophy anymore, and particularly what they do not agree with is that we ought to have their taxes raised in order to pay for those 25,000 Federal employees, and that they ought to have their taxes raised in order to subsidize the college educations of very rich people.

Yet, that is exactly what the proposition is that has been brought to us in this bill. My colleague from Pennsylvania makes a very modest attempt to deal with at least one of those problems. What he says is out of the 25,000 new Federal employees, let us at least not subsidize the education of the well-to-do and the rich, and at about the \$80,000 level let us say that we cut that off, and stop subsidizing the well-to-do and the rich. Let us make certain that the subsidy money goes to the poor and the middle-income people in this country.

I do not see why that should be controversial. Those people paying \$5,000 per family in income taxes would like to think that, yes, they have got an opportunity to do something good with that money, that they might have a chance to participate in helping their kids get a college education. They are not so certain that they ought to pay for Donald Trump's kids to get a college education.

So my colleague from Pennsylvania suggests that we can take care of that problem right here. Pass this amendment, and what we assure is that middle-income America and low-income America benefit from the education benefits here and others do not. It seems to me to be an entirely feasible and rational approach, and for the life of me I do not understand why this one was not included in the noncontroversial package. It should be noncontroversial. The only people who would regard this as controversial are the people who want more and bigger government, more expensive government and subsidization of the rich.

I do not think the American people want very much of that.

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

Mr. GUNDERSON. Mr. Chairman, I come to the well today with very mixed emotions. I do that because this amendment and this bill represents the first time in 13 years on the Education and Labor Committee that BILL GOODLING and I have disagreed. And very frankly, BILL GOODLING is one of my best personal friends in the Congress. He is without question my leader on education issues. And I do not take any joy in rising in opposition to a Goodling amendment, and I want him to know that, and frankly, I want all of

my colleagues to know that publicly as well.

But I rise because BILL GOODLING, more than anybody in this House of Representatives, would want me and you and everyone else to be true to your convictions. And BILL GOODLING and I see national service in just very different ways.

If Members believe that national service legislation is student financial aid, they should vote for the Goodling amendment, and I mean that sincerely. If, on the other hand, they see national service as not paid volunteerism, nor student financial aid, but rather a unique response of this country and its people to find innovative, creative and, yes, even less costly ways to respond to those unique and unmet problems, because we do not have the resources at the Federal, State, or local level, and we are going to find new and different ways to do it, then they should vote no.

Probably, probably the administration made a mistake. I do not think so, but listening to this debate, probably they made a mistake when they said instead of giving people \$12,000 plus salaries for national service, on a full-time annual basis, we are going to break the mold, and we are going to say what everybody, Republican and Democrat in this town has said for years, which is education is a lifelong learning necessity in the 1990's and into the 21st century, so we are going to do something very different. What we are going to do is we are going to pay them the Vista level of roughly \$7,400 for a full-time national service commitment on an annual basis. But what we will do is, above and beyond that, we will say if you choose to pursue additional education, or to pay off educational debts you already have, we will give you an educational stipend of up to \$5,000.

□ 1400

I think that is a dramatic change in public policy in this country for all of the right reasons, but I am wondering, listening to this debate, if some agree.

The second reason I oppose the Goodling amendment is because I absolutely believe the diversity of national service participants is essential if this program is going to succeed. In all due respect, I hope no one here wants a National Service Corps made up of only low-income people. That is as prejudiced in reverse as it would be on the other side. And I say that because income alone cannot be the criterion for a diverse corps that wants to succeed doing very different things.

Look at what we are talking about, ladies and gentlemen: We are talking about four primary areas, education, health care, law enforcement, and the environment. Now, we are talking about education primarily in the inner city.

Do we only want low-income people to participate in education programs in

the inner city of this country? I know nobody here believes that in any way, shape, or form. We have got to have that diversity.

But think about it. People say that this bill is costing too much. I tell you what costs too much. What costs too much is a whole classroom of young people in the inner city of L.A., New York, or elsewhere who drop out and become a part of crime. Under this bill, where there is not a teacher today, we are saying we will invite that teacher and their ideals to national service, to come and give a year of their time and their talent and to take those inner-city kids, and for that we will give them \$7,400 in salary to live on, and if, and only if, they have a student loan to pay off or they want to go back to school will we give them an educational benefit above and beyond that.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. GUNDERSON] has expired.

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

Mr. GUNDERSON. And so let us assume that we have got \$7,400, we have got \$5,000 educational benefit, we have got health care, et cetera. We are roughly around the \$12,000 to \$15,000 total cost.

Do you think saving a classroom of 30 young people in the inner city of the large schools of America is not worth an investment of \$15,000? There is not a teacher in my congressional district in rural Wisconsin who starts at under \$15,000.

So let us understand what we are dealing with here.

And finally, if you want to deal with this versus that, national service versus higher education, student financial aid, there is a time to do that. It is called the Labor, Education, HHS appropriations bill. Absolutely every year you can offer an amendment that will delete any funding, any appropriation for national service and transfer every dime of that to student financial aid, and this Congress can vote yes or no on that kind of a proposal.

And so for the first time after 13 years, the gentleman from Pennsylvania [Mr. GOODLING] and I have found an issue we disagree on. I suspect if next week the chairman brings up the America 2000 education goals that the gentleman from Pennsylvania [Mr. GOODLING] and I will be back where we belong on the same side, but today, at this time, in this place, on this issue I have to ask you to vote "no" on this amendment.

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

Mr. Chairman, Members of the House, we must keep our eye on what we are trying to do with this legislation and what the President of the United States is asking us to do in behalf of national service.

A number of speakers have pointed out the philosophy, and that philosophy is true. We are challenging people to service.

For the last decade, we basically said that young people were selfish, not interested, and concerned only about themselves. I happened to think that was not true then, and it is not true today.

But by the same token, we have got an obligation to provide avenues of service for young people in this country who desire to give that service. To now enter this debate and try to divide the constituency and to divide the participants is a great offense to the notion of national service, because it is not a question, as the gentleman from Oklahoma [Mr. MCCURDY] said, of the National Guard or the armed services versus national service. In my hometown, we have a park. It is called the Nancy Boyd Park. Nancy Boyd was a graduate of Alhambra High School, the high school I went to, went off to the Peace Corps and was killed, and I am sure in many other communities we have memorials to members of the Peace Corps, young people who served in VISTA who died while they were in service.

Unfortunately, we will have that with the people who enter this program. Because as the gentleman from Oklahoma [Mr. MCCURDY] pointed out, these people will be working on the front line. They will be helping their society on the front lines.

The suggestion here that somehow we are subsidizing Donald Trump's children, and I do not know that he has any, but Donald Trump's children is an old debate, as the chairman pointed out we went through in 1981. People beat their breast how they were not going to give student loans or grants or educational help to rich people's children. We saw that was wrong, and we changed the laws 8 or 9 years later.

But the fact of the matter is what we are summoning here is what we believe is the best in the young people in this country.

Nobody asks Donald Trump's children if they join the Peace Corps whose children they are or when they get their stipend at the end of their service, nobody asks their income then or later, as the gentleman from Pennsylvania [Mr. GOODLING] would have us do, in the case of the young people in this program.

Why are we doing this? Because we believe, not based upon what our committee decided, but based upon what hundreds and hundreds of American citizens who have been involved in the issue or national service for many decades in some cases about what would it be that would attract people to national service where this Nation would receive the benefit, and the decision was made that a small stipend and an educational benefit would be that

package of benefits, just as in the Peace Corps. It is the small stipend and the cash benefit at the end for the Peace Corps volunteers.

And what do we get back? We are going to get some middle-income kids, hopefully some wealthy kids, with graduate degrees and master's degrees and baccalaureate degrees, and some people that have not gone to college at all, and hopefully we will get some people who have gone to vocational schools and maybe can repair engines or understand computers, and we will get that mix. We will bring those resources to our troubled communities.

The suggestion that this is a one-for-one tradeoff between people who would get a student loan because of their income versus the people who work in this program is nonsense. As the gentleman from Wisconsin [Mr. GUNDERSON] has pointed out, the multiplier of having these people in the community to help young children in school, to help young children in community service, to help young children in community programs, to be interested, to provide role models both from outside of their community and inside of their community is the multiplier that the President of the United States has asked us to consider.

This is about healing America. The races, the income groups have run away from one another. We live in different parts of our State. We live in different parts of our city. We do not share the experience of the old neighborhoods.

This is an effort to try to draw America back together.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

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

Mr. MILLER of California. Mr. Chairman, that is the goal, whether it is my child or your child or the child that they would serve in national service.

Do they have the ability to share that experience, to understand, to gain empathy with the other's experience? That is why we have known for over a decade that national service has been out there in the country among the public, among our constituents. They want this program. They believe this is good for America. They believe this is good for our society. They believe that this can help bind us together as a society so we can share our cultures, we can share our experiences, we can share our communities, our understanding, and our education. That is the goal that this President has given us when he submitted this legislation.

I believe that the committee bill is true to that. I believe that it is true to that goal, that we must support it.

The effort to try to segregate this work force based upon income, or coming back and asking them after they

have provided service what their income is, is irrelevant to the goal of national service, and the purpose of this legislation.

Again, we do not do it with the Peace Corps. They get a stipend. They can do anything with it. They can use it for education or not. And we do not ask them at the end of that service, "What is your family income, what is your income, where are you going, what was your income when you signed up?" But we are all very proud of our Peace Corps workers. We are proud of the ambassadorial role they play for this country around the world.

We can be just as proud of the young people who would provide national service in America to Americans, and I would hope that we would reject this amendment.

□ 1410

Mr. PETRI. Mr. Chairman, I move to strike the requisite number of words, and I yield to the author of the amendment, the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. I thank the gentleman for yielding to me.

First of all, we have heard a lot of talk about trying to put the educational part of this amendment on the back burner. I find that very interesting, because all during the President's campaign for the Presidency, education was out front on this whole program. Up until about a month ago or 6 weeks ago, education, education, education for all was what he had in mind. It was not until his advisers made him understand that that is an awfully expensive way to try to provide education for all that he started to back off.

But would you believe that the day the House committee passed the legislation, the Senate committee passed the legislation, he made a speech out in the western part of the country complimenting us for passing this legislation because it gives educational advantages for all.

So, we cannot just put that on the back burner.

Second, as I indicated before, there is no needs analysis to enter the Peace Corps, no needs analysis to enter this corps, no needs analysis whatsoever. Anyone can enter this corps. So, we do not need to talk that somehow or other if we do not have that up there for those who do not need it, they will not enter and therefore we will not have diversity.

In fact, I think it is demeaning to tell someone that "the only reason you are getting involved here in this service effort is because you want some personal benefit for yourself, some monetary benefit or some educational benefit."

So, again, no needs test to join the corps, none whatsoever; all can participate.

Those who have that ethic and that desire will do it and will do it as they always have done it. And when you talk about Peace Corps, again you are mixing apples and oranges. Any stipend that you get to relocate when you come out is a pittance to what we are talking about here.

So, I would hope that we would put that educational bit aside and stop trying to pooh-pooh it and also get beyond the argument that somehow or other we will not have a proper mix for a program such as this, because we positively will.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, in 1961, JFK challenged a whole generation of young people to think about service above self. And it was not without its reward, and it was not means-tested.

Out of that effort, the Peace Corps was born. And today we have leaders in every walk of life who are prospering, enjoying great opportunities, and still contributing and still with that spirit of contribution.

I ask my colleagues to consider if it was in our best national interest at the time to have our young people travel all over the world to places to provide service and at \$200 a month and then when they were finished with a 2-year commitment, they would receive \$5,400 to use any way they chose, to buy a car or to get education or pay off educational debt. It was theirs to use.

This is exactly the same principle. And yet I hear people totally in support of that and I do not hear anybody talking about 9,000 new Federal jobs with the Peace Corps participants.

I believe that if it was in our best national interest to do that, it is in our best national interest to send young people into our disadvantaged neighborhoods to provide those same services here at home, domestically.

The bottom line is: Can we do more for the rest of the world than we can do for our own? I think not. The bottom line is that means-testing destroys the potential for all kinds of people to participate in this program, and that is the initial reason for the legislation.

Mr. ANDREWS of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, which I know is offered in good spirits, and I respectfully oppose it.

All across the country today, there are young people who are interested in serving our Nation. There are some who are interested in going into our inner cities and teaching people how to read. There are others who would like to go into our forests and areas of conservation and begin to protect and preserve those areas; there are people who want to go into crime-ridden neighborhoods and help organize community policing, citizen involvement; there are

people who want to serve their country and learn in the process of so doing.

This debate is really about what question we are going to ask those people. If we support the amendment offered by our friend, the gentleman from Pennsylvania, we are really asking those people, "How much money do your parents make? How much do they have in the bank? What are your family assets?"

If we oppose the amendment, I believe we are returning to the original spirit of this legislation, and we are asking a different question, which is, "Are you willing to make a commitment to serve your country?"

As the gentleman from Wisconsin [Mr. GUNDERSON] very well said a few minutes ago, this bill is not about financial aid, it is not about the best way to organize and rationalize a system to help people to go to college; it is about service. It is a modest, realistic, moderate stipend for people who serve their country.

I do not think we should say to the young person who wants to start a police corps, or teach a young person how to read, or help reclaim our environment, that their ability to do that is in any way limited or modified—and I accept the fact that it is only limited and modified, not excluded, by this amendment—but I do not believe it should be in any way limited or modified because of how much their mother and father have, how much their family has in the bank, or how much they themselves have earned.

We do not ask people when they enlist to serve our country in other ways, the financial position of their families. We ask them to make a commitment, we ask them to honor that commitment, and we ask them to give us the value of their service.

This is a program that says to millions of people across the country, young and old, because the program is open to young and old, "If you are willing to do the hard work of serving your country, the work that is not glamorous, in dealing with teaching children about the risks of HIV; that it is not glamorous going in and cleaning up a river; that it is not glamorous teaching people how to patrol their own streets and their own neighborhoods; that we need you and we want you, and your service is welcome." For those reasons, I would urge my colleagues to sustain the spirit of this bill and join me in opposing the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I am very grateful that the gentleman from Pennsylvania [Mr. GOODLING], has offered this amendment. I am particularly grateful to the chairman of the full committee for allowing

us to have an open and real debate on some incredibly essential issues as they relate to this bill.

So, I am happy the amendment was offered, and I get down on my hands and knees, figuratively, in hopes that it will be defeated because I think it puts a dagger right in the heart of this program.

I was intrigued with the comments presented by the supporter of this amendment in talking about the Rockefellers, and the Du Ponts, and the extraordinarily wealthy families who have given a great deal to this country and have gotten a great deal in return, as if somehow, this was an amendment to get them and eliminate them from the program. Then I heard our chairman of the Committee on Education and Labor talk about who we really were talking about.

□ 1420

We were talking about families that make between \$23,500 to \$48,500. If they happen to go to a university, and they make that kind of income, they will get less than \$5,000 if their income is over \$23,000. They will get no educational grant if their income is over \$48,000.

Somehow it did not strike me as the Rockefellers and the Du Ponts.

It began to make me think of some of the people who live in my districts who are not even middle class and are affected by this.

I thought of the community colleges, as the chairman read how they would be affected, and that a family that earns more than \$45,000 under this amendment will get no educational grant.

I was intrigued with the answer. There was not one, other than to say, "Well, if you don't like the way we set up our Educational Act, change it."

Well, I happen not to like it, because I think it prevents low- and middle-income people from benefiting from educational grants, and it certainly affects participants who, I hope, will be part of this program.

If you want to cause great harm to the concept of national service, I think you could in good conscience support this amendment, but with all due respect, I feel as strongly as I can state that you cause tremendous harm to the program.

If you then decide to discourage people of low- and middle-income from participating, and that is what you do, you will do it. You can shake your head, you can laugh, and you can walk around the Chamber, but the bottom line is that you will do it.

When people talk about the Peace Corps, and the motivation to join the Peace Corps, I was a Peace Corps volunteer. I had a lot of motivation to join the Peace Corps. I wanted to be in national service. I wanted to make a difference around the world, as our

President encouraged us to do, so that was there.

But there was also something else that I saw as a benefit. I realized that I could learn another language. I am not ashamed to admit it. I thought if I joined the Peace Corps, I could learn another language.

I also thought I could learn another culture. I could have the experience of living a different life. I thought that was a benefit that no one could even give a value to.

Then I think as the gentleman from Wisconsin [Mr. GUNDERSON] pointed out, what we are trying to do is get some suburban kids to go into our urban areas and get right down there, right down there where, like in Washington, DC, 2 weeks ago, 17 people were killed in 4 days.

I do not think that people who participate in national service are going to be having a wonderful time. I think it is going to be extraordinarily difficult work.

I think the minimum wage they are going to earn, not for 40 hours of work, but for 60, 70, 80 hours of work, \$2 an hour, that is what they are going to earn.

I think it makes sense that participants who perform identical work ought to receive identical benefits, but do not think the benefits are so outrageous, do not think they are so significant. They are not. It is minimum wage. It is health care benefits they may never use. They are young for the most part.

If you are from an urban area and you do not have much income, you may live at home, but some of these participants are going to leave their homes. They are going to find a place with rent and live in it at a minimum wage.

They give up their fast track to whatever they want to do as a profession. They give up a lot.

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

(By unanimous consent, Mr. SHAYS was allowed to proceed for 5 additional minutes.)

Mr. SHAYS. Mr. Chairman, I do not think I will use all of the 5 minutes, but I would like them anyway.

I guess I will just conclude by saying that I believe the supporter of this amendment is sincere, but I think he is dead wrong in the impact it will have on this legislation. I think it will cause serious harm.

I hope my colleagues on this side of the aisle who may represent some of the poor areas in our districts, will not be enticed to support it, because I think they will hurt the very people they represent.

I hope people on my side of the aisle will recognize that, maybe if you live in Staten Island and make \$23,000 or \$45,000, you are not rich and you deserve the benefit, or, if you live in

Pennsylvania and make \$35,000, you are not rich, and maybe you have earned it. Maybe you have made such a wonderful contribution that you deserve it, and maybe you will use it well in your institution that you go to in the future to further your education.

Mr. Chairman, I thank my colleagues for participating in this debate, but I think this bill is underestimated. I think in the years to come, you will look back and say, "Where was I on this bill?"

I think you will want to say that it made a difference and you wished you were a part of making a difference by supporting it and not causing it harm.

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

Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. GOODLING].

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

I can accept any criticism of this amendment whatsoever, but for someone to get up and say that somehow or other I am going to exclude \$25,000 income people and \$35,000 income people is just unbelievable. It is something I cannot accept.

What I want to do is include more of those people, the \$25,000 and the \$35,000 people.

I know about the higher education bill. If you do not know how it works, then do not get up and make those kinds of statements.

I want to include. I do not want to exclude those people. I want them involved. I want them to have the benefits and I want to pay everybody else the benefits who participate—the minimum wage and for their health care. That is what I am trying to do.

I am trying to include more people, not less people in this program.

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

Mr. Chairman, I yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I am sorry, I say to my colleagues, that the gentleman did not give me an opportunity to ask him a question because it would be nice to understand this issue.

I guess the question I would like to ask, is the gentleman on this side of the aisle inaccurate and wrong when he says that someone who attends a university does not get their full grant at incomes of \$23,000 to \$48,000 and would not get a grant after \$48,000? I would like to know the answer to that. Would the gentleman please respond.

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

Mr. CARDIN. I am happy to yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, if the gentleman wants time, we will take time somewhere and I will explain the

Higher Education Assistance Act to the gentleman.

You have a freedom of choice when you are going away to college. That is what it is all about. That is why I got up and said that the chairman's argument probably is not with my amendment. It is with the needs analysis in the Higher Education Assistance Act.

If you choose an expensive university and you have a \$25,000 income, you will be able to get considerable assistance for a postsecondary education.

If you chose to go to a community college with that kind of income, you will get a different kind of income from the Higher Education Act.

Mr. SHAYS. Mr. Chairman, if the gentleman would just be patient with me, I am trying to understand a statement that was made on the floor, which is true, and reconciling the gentleman's comments and what I understand to be true is that if you attend a community college, under the gentleman's amendment and make more than \$45,000, you will not qualify for any educational grants.

I am trying to understand under the gentleman's amendment if it is true that if you make between \$23,500 to \$48,500, if your grant will be reduced if you attend a university. I am not interested in a lot of rhetoric. I just want to know the answer to that question.

Mr. GOODLING. I tried to indicate to the gentleman, as I did after the chairman made his remarks, what you get is based on your family's income and the student's income. You have the freedom of choice of the institution that you go to. It has nothing to do with anything other than the needs analysis. The needs analysis says that, no, you do not get a sizable amount if you are going to a community college with a \$45,000 income.

Mr. SHAYS. You get nothing.

Mr. GOODLING. The gentleman first talked about a university, a private university, a State university. There is a needs analysis. That is what it is all about, making sure that those in need receive the benefits that they need in order to get a postsecondary education. It is just as simple as that.

Mr. SHAYS. Mr. Chairman, I thank the gentleman. I just would like to summarize what the gentleman has basically said, without saying it. I admit I do not serve on the Education Committee and I am not an expert on this issue, but the fact still remains if I attend a university and make between \$23,500 and \$48,500, my \$5,000 educational grant will be reduced. If I make more than \$48,000, I will get none under the gentleman's amendment.

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

Mr. CARDIN. I am happy to yield to the gentleman from Pennsylvania.

□ 1430

Mr. GOODLING. Mr. Chairman, that is incorrect. One has to take each indi-

vidual; the needs analysis is done on each individual. I cannot give a specific figure where there is a cutoff.

There was a time when we had this program where we had a specific cutoff on income, period. Then we opened that totally and said, "Doesn't matter what your income is. You have to take each individual and specifically see the needs of each individual in order to determine whether they do or whether they don't get anything."

Mr. Chairman, I cannot give my colleague one specific figure.

Mr. SHAYS. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. GOODLING], and I thank the gentleman from Maryland [Mr. CARDIN] for having yielded, and I just say to my colleague, "That's the problem. We're not getting any answers on this side about a very important issue."

The bottom line to this is that this will impact middle income people and prevent them from getting an educational grant, and, if we come to this floor, and vote on this issue and do not recognize that, then we simply do not know the amendment.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CARDIN. I yield to the chairman of the Committee on Education and Labor.

Mr. FORD of Michigan. Mr. Chairman, I hate to see two friends quarreling when both of them are going past each other. The fact is, I say to the gentleman from Pennsylvania [Mr. GOODLING], that when I read the examples, I used Pennsylvania figures and constructed an average family of two parents, two children, one in college, with a low-income job, and then I used the average cost of a community college in the gentleman's State, the average cost of a 4-year public college and the average cost of a private college, and then put in the RECORD what would happen to that family when their child tried to attend an institution.

The gentleman from Connecticut [Mr. SHAYS] is correct. The numbers that I put in the RECORD are correct, and the gentleman from Pennsylvania [Mr. GOODLING] perhaps missed that we worked out the needs analysis for his State.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 270, not voting 13, as follows:

[Roll No. 349]

AYES—156

Allard
Archer
Army
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Billey
Boehner
Bonilla
Brewster
Bunning
Buyer
Callahan
Calvert
Camp
Canady
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
Dickey
Doolittle
Dreier
Duncan
Dunn
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gibbons
Gilchrist

Gillmor
Gingrich
Goodlatte
Goodling
Grams
Grandy
Greenwood
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoke
Huffington
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinaro
Moorhead

Myers
Nussle
Oxley
Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Santorum
Saxton
Schafer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Vucanovich
Walker
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—270

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clay

Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Faleomavaega
(AS)
Farr
Fazio

Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Furse
Gejdenson
Gephardt
Gilman
Glickman
Gonzalez
Gordon
Goss
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbruckner
Hoekstra
Holden
Horn
Houghton
Hoyer
Hughes
Jacobs

Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Klecza
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowe
Machtley
Maloney
Mann
Manton
Margolies-
Mezvisinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge

Mink
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Oliver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo
(PR)
Rose
Rostenkowski
Roth
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpaluis
Sawyer
Schenk
Schroeder
Schumer

Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slaughter
Smith (IA)
Smith (MI)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torrice
Towns
Traffant
Tucker
Unsoeld
Upton
Velazquez
Vento
Visclosky
Volkmmer
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—13

Burton
de la Garza
DeLay
Dornan
Frost

Henry
Hunter
McCurdy
Moakley
Packard

Skelton
Underwood (GU)
Valentine

□ 1456

The Clerk announced the following pair:

On this vote:

Mr. DeLay for, with Mr. McCurdy against.

Mr. MURPHY changed his vote from "aye" to "no."

Mr. SHAW and Mr. ENGLISH of Oklahoma changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BALLENGER

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

The Clerk read as follows:

Amendment offered by Mr. BALLENGER:

In section 129(d)(2) of the National and Community Service Act of 1990, as added by section 101(b) of the bill strike "(including labor organizations)".

In section 130(b) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike paragraph (12) and insert the following:

"(12) A description of the manner and extent to which participants, representatives

of the community served, and community-based agencies with a demonstrated record of experience in providing services contributed to the development of the national service programs referred to in paragraphs (1) and (2).

In section 130 of the National and Community Service Act of 1990, as added by section 101(b) of the bill—

(1) strike subsection (e), and

(2) redesignate subsection (f) as subsection (e).

In section 131(c) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike paragraphs (1) through (3), and insert the following:

"(1) provide in the design, recruitment, and operation of the program for broad-based input from—

"(A) the community served and potential participants in the program; and

"(B) community-based agencies with a demonstrated report of experience in providing services, if these entities exist in the area to be served by the program; and

"(2) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

In section 114(d)(5) of the National and Community Service Act of 1990, as added by section 103(a) of the bill—

(1) strike subparagraphs (A), and

(2) redesignate subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

In section 119(d)(2) of the National and Community Service Act of 1990, as added by section 103(a), strike subparagraph (B) and insert the following:

"(B) assurances that the applicant will comply with the nonduplication and non-displacement provisions of section 177 and grievance procedure requirements of section 176(f); and

Mr. BALLENGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BALLENGER. Mr. Chairman, the National Service Trust Act contains a provision that will create a blatant conflict-of-interest. For this reason, I am offering an amendment that would remove this provision.

Let me explain. Under this bill, labor unions are permitted to apply for grants in order to provide for community service. Ironically, the other grant applicants must consult with, and in some cases receive the concurrence of those same labor unions, who may apply for those same grants. The unions have the power to influence the outcome of grants to nonunion applicants, while they themselves may apply to those same grants. This distinct advantage given to labor unions, over other applicants, is ludicrous.

Labor unions insist that this provision is necessary to prevent displacement of union workers by the national service volunteers. But the National and Community Service Act already provides the necessary safeguards against displacement of union workers

from jobs similar to those set up as national service positions. Union members are protected by the nonduplication and nondisplacement provisions (Section 177, National and Community Service Act, P.L. 101-610) already in law. The unions do not need this additional protection, or should I say influence.

During the committee's consideration of the National Service Trust Act, I offered an amendment to delete this obvious conflict-of-interest provision. Unfortunately, the amendment was gutted, and the problem remains. I am offering my amendment today because it is imperative that we eliminate this unethical conflict-of-interest provision.

Whether you are in favor of, or opposed to this bill for national service, I urge you to support my amendment. This amendment is essential in order to delete this provision that is rife with the potential for abuse.

□ 1500

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment deletes requirements for consultation on community service program applications and placements with local unions representing employees engaged in the same or similar work in the community. The amendment also deletes a requirement that a program applicant secure the concurrence of any labor organization representing its employees who are doing work which is the same or similar to that proposed to be carried out by participants assigned to the program applicant. The provision only would apply to service sponsors whose employees belong to a labor organization.

The Ballenger amendment should be opposed for the following reasons:

First, labor union consultation/concurrence provisions are critical safeguards against substitution and displacement of the regular work force.

As stated in the bill, a primary purpose is "to meet the unmet, human, education, environmental, and the public safety needs of the United States, without displacing existing workers." Local unions which represent employees in the workplace have a critical stake in the degree to which a national service program achieves this objective. If the program fails in this regard, it will replace regular jobs with stipended workers without employee status, interfere with and erode collective bargaining agreements, and create a downward drag on wages and benefits in local labor markets.

Union consultation and concurrence are the means by which nondisplacement provisions are given teeth. The point of the language is to protect full-time employees from being inadvertently undercut by national service participants.

The union concurrence provision in particular will provide for real and meaningful involvement of local employee organizations in program planning to ensure that displacement does not occur.

Second, the union concurrence requirement does not create a conflict of interest.

Representative BALENGER maintains that the union consultation/concurrence provisions of H.R. 2010 create a conflict of interest since local unions can apply to sponsor local service projects. This contention is not based in fact:

One, the union consultation provision is advisory only and has not caused any conflict-of-interest situations under existing programs.

Two, the union concurrence provision is employer-specific and would not apply to nonunion applicants. A union applicant could not concur on its own application. Instead, only a local union representing employees working for a union applicant could concur of the application.

Three, when required, local union concurrence is only one part of the application process. Even with local union concurrence, an application will be evaluated on the same grounds as other applications and can be rejected.

Third, union consultation/concurrence provisions will strengthen local community involvement in developing local service activities.

An important goal of the national service program is for local communities to develop and carry out their own local service activities.

The union consultation/concurrence provisions create a process for local unions representing employees in the workplace and service sponsors to work together to develop an inventory of unmet needs and activities which do not duplicate work already being performed by employees of the service sponsor.

Activities which meet this standard cannot be dictated from Washington. They will vary from locality to locality. For example, one community may have an extensive child care system, while another may have very little publicly financed child care. One community may have extensive afterschool activities, while another may not.

Fourth, the amendment goes against 20 years of established Federal policy.

There is a long history of union comment/consultation provisions in Federal employment and training programs. Union comment provisions go back at least to the Comprehensive Employment and Training Act [CETA] of the 1970's and are part of the Job Training Partnership Act. The National and Community Service Act itself currently includes a union consultation requirement.

Fifth, there is precedence for union concurrence under Federal and State Programs.

Many current youth corps programs work with local unions and will not start projects without local union agreement. In addition, other Federal and State programs provide for union concurrence. These include the Community Works Progress Demonstrations in H.R. 11, an omnibus tax bill passed by Congress but vetoed by President Bush last fall, the Washington State welfare program, and the Youth Incentive Entitlement Program under CETA.

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

Mr. Chairman, I rise today in support of the amendment offered by my friend, the gentleman from North Carolina [Mr. BALENGER].

As the chairman was just trying to explain, what the language in this bill does is, it gives organized labor unions a veto over projects, over a grantee, that may occur in their area. If you do not belong to a group and you are an employee, you have not this right under this bill, but only if you belong to an organized labor union do you have this veto power.

This House has already passed one union empowerment tool this session, the striker replacement bill. I do not believe we need to pass another. That is exactly what we will do if we do not accept this amendment.

There is language within the National Service Trust Act to give unions veto power over national service projects while permitting them to take part themselves in these same projects. These provisions give them an unfair advantage over organizations bidding to take part in the national service program. It is an advantage they should not have.

Although I am opposed to this bill, I believe that we must ensure that it will not be used for favoritism. Yet, this provision, and many others, are examples of how this measure is ripe to be used for political patronage, union empowerment, and as a boost to special interest groups throughout the Nation.

This amendment will eliminate this blatant conflict of interest by prohibiting labor unions from being involved in the approval process of a grant if they have already applied for a grant. It makes sense and should be accepted.

Mr. Chairman, I urge my colleagues to vote yes on the Ballenger amendment.

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

Mr. Chairman, I rise today in support of H.R. 2010, the National Service Trust Act, and in opposition to the Ballenger amendment.

In his inaugural address, President Clinton called for a new generation of Americans to enter into a season of service for the betterment of their country. The National Service Trust Act will allow them to answer this challenge. In return for their participation in approved national service programs, thousands of Americans would

receive financial assistance to pay for their education.

The National Service Trust Act will permit us to meet critical needs in communities across the country—in areas such as education, human services, the environment, and public safety. In its first year alone, it will involve 25,000 participants, allowing each to earn up to \$10,000 in educational awards over two terms of service. Moreover, this legislation will create no new Federal bureaucracy, relying instead on existing Federal, State, and local agencies, as well as colleges, for disbursement of funds. It will not take the place of need-based financial programs such as Pell grants, instead serving to complement and reinforce such successful approaches. Above all, H.R. 2010 will instill a new spirit of voluntarism in America. It offers those who could not otherwise afford to do so, the opportunity to serve while expanding their educational horizons.

The gentleman from North Carolina [Mr. BALLENGER] would have you falsely believe that the union consultation provision of H.R. 2010 creates a conflict of interest.

Personally, I am tired of all the union-bashing I hear in some quarters of this Chamber.

His amendment strips the bill's current provisions designed to promote local union participation in national service programs and protect against job displacement. This would undermine a primary intent of the legislation: Engaging young Americans in service to their communities without displacing existing workers.

In addition, this amendment fails to acknowledge the long and productive history of union consultation in Federal employment and training programs. The Ballenger amendment, in my opinion, would destroy this valuable labor-community service relationship, and deny thousands the opportunity to work for the betterment of the American community.

As a father and former teacher, I cannot stress enough the importance of passing this legislation intact, without any of these amendments. National service is nothing less than an investment in America's future.

People who are in support of these amendments have said on the floor that they will not vote for the bill anyway, so let us not ruin the bill. Let us not throw smokescreens in front of the bill. The bill, as it is, provides legislation to meet pressing social needs, provide aid for education, and teach valuable skills to its participants while increasing a sense of civic responsibility and community spirit.

The gentleman's amendment would serve only to undermine these goals. I urge my colleagues to vote in favor of H.R. 2010 and against the Ballenger amendment.

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

Mr. Chairman, basically I rise in support of the Ballenger amendment to H.R. 2010, the National Service Trust Act. This amendment merely serves to eliminate the opportunity for a conflict of interest in which a labor union could serve as a program applicant while maintaining an influential role in determining what applicants receive grants. This legislation, in its current state, explicitly states that labor unions are eligible recipients of national service grants and service workers. In addition, the bill requires that all program applicants confer with and, in some cases, obtain the written concurrence of the local labor organization as a requirement for eligibility. The union consultation requirement is a clear conflict of interest which the gentleman from North Carolina rightly suggests should be eliminated.

In addition, I am strongly opposed to the inclusion of this language in the bill because of my fear that it will increase the likelihood that these positions will be make-work type jobs. If labor unions are given this virtual veto power over the substance of national service positions, service workers would not even be able to displace any of the millions of employees making the minimum wage. Consequently, they would have to be used in tasks worth less than \$4.25 an hour. There is a simple reason why many of these needs are currently unmet: they are not worth filling at the compensation levels we are contemplating. We don't require consultation with any other organization, including private charitable organizations with which this program would certainly compete. I see no reason why we should give this preferential treatment to labor unions.

However, I want to make it clear to my colleagues concerned about job displacement that this language is not necessary to ensure nondisplacement. The National Community Service Act of 1990, which this bill would amend, already includes strong nondisplacement and nonduplication provisions. Let me read for my colleagues a passage from this act,

An employer shall not displace an employee or position, including partial displacement such as the reduction in hours, wages, or employment benefits, as a result of the use of such employer of a participant in a program receiving assistance under this title.

While I would frankly prefer that this language be eliminated as well, I submit that its existence makes the additional requirement of union concurrence unnecessary. The Ballenger amendment does not prevent unions from applying for programs, nor does it allow service positions to displace any existing Federal workers. It simply eliminates an unfair advantage which

unions have over other program applicants. I hope that my colleagues will join me in this effort to restore a level playing field to the program and support the Ballenger amendment. I yield to the gentleman from North Carolina, [Mr. BALLENGER].

□ 1510

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the bill itself contains all grievance procedures that we would ever need to rectify displacement. There are remedies for displacement and duplication.

Let me just read the law that exists at the present time. This is from the nonduplication and nondisplacement part of Public Law 101-610, of 1990. It says that:

Assistance made available under this title shall not be provided to a private nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency that such entity resides in.

Then, skipping down to another part:

A participant in any program receiving assistance under this title shall not perform any service or duties or engage in any activities that will supplant the hiring of employed workers.

In other words, protections already exist for unions. The problem is that this bill gives them the authority to screen other applicants. That is where the conflict of interest is. The protection for unions will remain intact if my amendment is adopted.

The idea that unions will be given an unfair advantage in that they can blackball other applicants in competition with them just does not seem right to me, and that is the reason for the amendment.

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

Mr. Chairman, a college education now ranks as one of the most costly investments for American families, second only to buying a home. During the 1980's the cost of attending college soared by 126 percent. It is my strong belief that all Americans, regardless of their income or wealth, should have equal access to educational opportunities. It is simply not acceptable that millions of young people are denied access to higher education because of the limited income of their families.

Today's debate is about priorities. I suspect that some of my colleagues who voted for the superconducting super collider and the space station will raise the specter of the deficit as their reasoning for opposing this legislation. It is beyond me as to how they can justify these priorities to the working families across America.

Today we are discussing a bill, the National Service Trust Act, that will

help remove some of the economic barriers to attending college by allowing students to pay off their student loans by working in their community on important educational, environmental, and poverty programs. By paying students for their work and enabling students to pay off their loans, this bill recognizes the current situation for most college students—namely, most of them are currently working. In fact, nearly half of all full-time students in the 16–24 age group and 62 percent of students in all age categories work—often as much as 35 hours a week.

The truth is our college students and their families are paying the price of a unconscionably declining Federal commitment to higher education. Today we have a small chance to improve that. But, in addition to approving this very important program, we must guarantee our full commitment to existing education programs. Since its earliest involvement in higher education policy, the Federal Government's ultimate goal has been to guarantee an equal opportunity for Americans to attend and graduate from college. If we continue to pare back our commitment to Pell grants as we have this year, our students will have little opportunity to attend school without facing enormous debt. We must offer college students both national service and a solid commitment to Pell grants, work study, supplemental educational opportunity grants, Perkins loan programs and the State student incentive grants.

In addition, we must continue to recognize our changing student population and the obstacles currently preventing them from completing college. National service recognizes and addresses many of those obstacles. Today about 43 percent of our students are over the age of 25—40 percent are enrolled on a part-time basis—and more women than men attend college, as has been the case since 1979. By making awards to full and part-time students, by addressing the need for health care and child care this legislation removes additional barriers that would have prevented much of our diverse student population from participating in national service.

National service is an important piece of a Federal package that should permit all Americans equal access to education. By enabling students to help some of the 5 million children living in poverty—by encouraging students to help preserve our precious environment—by supporting those students that can help rebuild our deteriorating housing programs—we are advancing the needs of communities across America and entitling students to the education they deserve.

Let us get our priorities straight. National service and other Federal programs providing financial aid to students are funding priorities that this

Congress can no longer afford to ignore.

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

Mr. Chairman, I support my good friend Mr. BALLENGER's amendment. Only in Washington indeed, only in this committee, would anyone believe that labor unions ought to be entrusted with writing the job description for a Government service job, be allowed to decide who gets that job, and be able to apply for that job themselves.

Labor unions exist primarily to drive up wages, and one of the principal ways they do that is by restricting the number of available jobs.

If we let a union decide which jobs are performed under national service, you can bet your mother's pension check the unions will make sure the jobs are so meaningless and make-work that no union member is ever displaced by them.

But if we are foolish enough to let that same union apply to run its own National Service Program, you can safely bet everything you own and as much as you can borrow that that union will give the jobs to its own members or allies, or both.

This bill gives labor unions an overwhelming advantage over nonunion applicants. To think they will not use this power to their own advantage borders on delusion.

Mr. Chairman, no good purpose is served by giving all this power to the labor unions. Unless, of course, the primary purpose is to give more power to the labor unions.

Let us eliminate this blatant conflict of interest.

I urge my colleagues to support the Ballenger amendment.

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

Mr. Chairman, of all the statements on the National Service Trust Act, one of the best came last month—when Interior Secretary Bruce Babbitt testified before the Education and Labor Committee and underscored the true meaning of this legislation. "National Service will strengthen * * * the spirit of citizenship," he said, "* * * An old-fashioned idea of citizenship—of working together, of taking responsibility, of building community."

But if Mr. BALLENGER's amendment is passed and worker involvement requirements are stripped, service programs that are supposed to pull communities together may just as easily rip them apart.

The National Service Trust Act requires national service to address unmet community needs without displacing existing workers. If we neglect to consult local workers, service positions could unintentionally replace regular paying jobs. Lower skilled workers—disproportionately female

and minority—would be the hardest hit.

Let us not gut this vital legislation. Don't cut local workers out of the process. Join me in opposing the Ballenger amendment. Join me in support of the National Service Trust Act.

□ 1520

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

Mr. Speaker, I rise in support of the amendment. My good friend, the gentleman from North Carolina, has brought forth an interesting amendment, and I think a valuable one, because it speaks to some of the inherent conflicts of interest that are in this bill.

In a bill that creates 25,000 new Federal jobs, we now have an interesting development in that labor organizations are singled out for particular special treatment under the bill. If you look at the bill, it is interesting that, among the people who can apply for money, are listed public and private institutions, Indian tribes, States, and so on, and then parenthetically it separates out labor organizations.

Now, why do you suppose that was done? Well, I am not really certain why they were included parenthetically for special treatment other than the fact that they know that we are hiring 25,000 new people for the Government, and they want to have their mitts into that hiring of 25,000 people, and then when you figure out what it is they are about doing, it is very interesting.

It turns out that not only can they apply for the grants but then they have the ability to decide who gets the money. If you have a labor union that applies for the grant and the Boy Scouts have also applied for a grant, what the labor union can do is make a judgment that they deserve it rather than the Boy Scouts.

This really strikes me as being a real problem with the bill. I heard the gentleman from Michigan shout "no." That is certainly the way in which it appears to me that if there is another group seeking the grant, the union can also be applying for that grant. Is that not true?

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. No. The gentleman acts as if we come from two different countries. The kind of grants the union would be applying for might be conservation grants, other things. They are not going to apply for grants to have national service do their jobs, and the only union signoff is to agree with the local employer that the duties, for example, if it is a public hospital and the nurses have a union, if you are going to put some health aides in that hospital, they would sit down

with the union and determine which duties were permissible for them to perform and which ones would be reserved to their regular employees. It would not knock the grant out. It would simply limit the activities of the people in the grant so they did not displace already hired workers.

Mr. WALKER. I have a hard time understanding that when you look at the language of the bill that separates out the union organizations parenthetically, and yet includes all of this in exactly the same language. You say that the people that the money can go to includes the States, it included Indian tribes, it included private and nonprofit organizations, and then there is parenthetically in there this item that says "includes labor organizations."

Now, it sounds to me as though the Boy Scouts are included in the public and private organizations. Certainly I would think they would be included.

Mr. FORD of Michigan. If the gentleman will yield further, does the gentleman know of any Boy Scout troop that is organized by a union? What kind of union employees do the Boy Scouts have?

Mr. WALKER. Well, it seems to me that the union—

Mr. FORD of Michigan. And why would the Boy Scouts be consulting with the union when they do not have a union?

Mr. WALKER. Well, they are not consulting with the union. What they are doing is applying for a grant, and they might be applying for grants in the same place that the union is applying for grants.

Mr. FORD of Michigan. The unions do not have anything to do with the Boy Scouts' grants. They only have to do with grants applied for where their members are affected.

Mr. WALKER. Why are the parentheses in there? The parentheses are there to give the unions the specific chance to apply for the grants.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman places me at a decided disadvantage. He frequently uses this tactic in debate, of getting into the well and saying, "I do not understand this. Explain what I do not understand." If the gentleman would ask me to explain what he does understand, I think it would be a lot easier than trying to explain what he does not understand.

Mr. WALKER. I thank the gentleman for clarifying, because what the gentleman is saying is, "I might have confused the issue here, and the gentleman has no answers." The fact is, that in his bill, he has specifically singled out labor organizations as groups that are eligible for the grants, and what I am suggesting is, they are then in com-

petition with groups like the Boy Scouts. Then they are singled out for additional special treatment in the bill that they get a chance to decide who gets the grants and who does not.

All I am suggesting is, that if they get a chance to decide who gets the grants and who does not, and they are among the applicants, guess who is going to get the grants.

The gentleman seems to not want anybody to discuss those issues, and certainly, he does not want the amendment offered by the gentleman from North Carolina to be approved that might get at these major conflicts of interest that are down in the bill that are going to disadvantage a lot of other good nonprofit organizations who simply would like to be able to have a chance to get the grants on a fair competitive basis.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(At the request of Mr. FORD of Michigan and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, sure, I do not need it, but I will be happy to yield to the gentleman.

Mr. FORD of Michigan. On page 31 of the bill, the language with the magic parentheses appears: "Federal agencies and other applicants, the corporation shall distribute on a competitive basis to subdivisions of States, Indian tribes, public and private nonprofit organizations including labor organizations," which is in parentheses, in case people like the gentleman do not understand that labor unions are public nonprofit organizations. That is all it is. It is simply to provide emphasis that they are a form of public nonprofit organization that may apply.

Mr. WALKER. In providing emphasis, you provide advantage. The gentleman well knows that if a specific organization is spelled out in the bill, that that then gives them a special status under the bill. The gentleman has been writing legislation around here long enough to know that when you parenthetically set aside a particular group of organizations, that you do so in a way that tells everybody who interprets that legislation, that this is a special organization for special treatment.

There is no need for the language in the bill. Under public law right now, we have nondisplacement legislation which would do everything the gentleman is wanting to do, but the gentleman in fact has set aside an organization for special treatment. That is my concern.

I yield to the gentleman from Michigan.

Mr. FORD of Michigan. I will accept the responsibility for drafting a bill in a way that may not be understandable to the gentleman.

As a lawyer, a former judge, a former State legislator, and a Congressman now for 29 years, I have no trouble understanding the statutory language, and if the gentleman wants it written in a better way, what he ought to do is cooperate with us instead of opposing everything we do, and we will be glad to write it your way.

Mr. WALKER. I do not have any doubt that the gentleman understands exactly what he has done here.

Mr. FORD of Michigan. If I take the parentheses out, will you vote for the bill?

Mr. WALKER. I have every confidence that the gentleman knows exactly what he put in the bill, and that he has given a special advantage to labor organizations, and he has done so.

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

Mr. Chairman, let me try to assure the gentleman that in the bill, there is language that prohibits the unions, labor unions, if they participate in the program, from doing exactly what he suggests they might do.

In section 132,

Ineligible service categories, an application submitted to the corporation under section 130 shall include an assurance by the applicant that any national service program carried out using assistance provided under section 121 and any approved national service position provided to an applicant will not be used to perform services that provide a direct benefit to any business organized for profit, labor union.

I suggest to the gentleman that our friends on the other side of the aisle, some of them at least, would have us believe that this bill was written primarily for the benefit of the unions. I suggest to you that that is far from the truth.

The fact is that all we were trying to do in the bill is to make sure that people were not displaced, or that moneys that were already in use for local needs was not supplanted, or that this money only supplanted that money, that that money was not replaced, and in doing that, we used what has been accepted, as the chairman has already explained, boilerplate language that has been in existence for over 20 years.

For that reason, I oppose the Ballenger amendment, as it does more harm than it does good.

I really believe, written the way that Mr. BALLENGER has written his amendment, that there would be unscrupulous people who would be able to take advantage of the bill and then supplant moneys that are already in use, and people who are already providing those services.

For that reason I oppose the amendment.

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

Mr. Chairman, as an original cosponsor of the National Service Trust Act,

I rise today to urge my colleagues to vote against the Ballenger amendment.

This amendment would eliminate key provisions of the bill designed to promote local union participation in service programs and prevent displacement of the regular workforce.

This amendment should be opposed for several reasons. First, there is a long history of union comment provisions in Federal employment and training programs. Such provisions go back at least to the Comprehensive Employment and Training Act and are part of the Job Partnership Act. This amendment would be going against 20 years of established Federal policy.

Second, labor union consultation is a critical safeguard against substitution and displacement of the regular work force. As stated in H.R. 2010, a primary purpose of this legislation is to meet the unmet, human, educational, environmental, and public safety needs of the United States, without displacing the existing workers.

Local unions, which represent employees in the workplace, have a critical stake in how well the National Service Program meets these needs. Union participation can only strengthen the program's ability to achieve the goals stated in the legislation. If the program fails to provide protection for existing workers, it will erode collective bargaining agreements and create a downward drag on wages and benefits in local labor markets.

The sponsors of this amendment may assert that the union consultation provision creates a conflict of interest. This is simply not true. The union consultation provision is advisory only and has not caused any conflict-of-interest situations under other programs where it is used. Moreover, the union concurrence provision is employer-specific and would not apply to nonunion applicants.

This amendment can only serve to weaken the National Service Trust Act and I urge my colleagues to vote against it.

□ 1530

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

Mr. Chairman, this amendment is a fight we do not need to have. This amendment tries to separate us. National service is not designed to replace any current employees. All we need to do is to recognize what this amendment does; it is just to drive a wedge in our efforts to provide national service, one of the most popular pieces of legislation that has come before this Congress in many years.

We need to pass a good bill, a bill that is needed for our country and for our young people. National service is a three-way win for our country: It provides job experience for those youngsters; it provides needed service to our

neighborhoods; and it helps repay those student loans. We know a number of students who graduated, whether they be from proprietary schools, or vocational schools, or from 4-year schools, or 2-year schools, that they are under a debt. They would like to have some of that debt forgiven by giving community service. This bill allows that.

This amendment separates us. If we continue this separation by adopting the Ballenger amendment, it will harm the national service effort. The Ballenger amendment, if adopted, will possibly cut people who have jobs. That is not our intent.

We do not need to have more unemployment. The support for this bill includes many corporations, and I would not expect some of the corporations that have been listed as supporters would support a bill that actually gives veto power to organized labor.

In fact, there is a letter that is provided. In fact, it was Chairman FORD, and although it is addressed to Senator FORD, I would like to paraphrase it. The American Red Cross supports H.R. 2010, the National Service Trust Act: "We welcome your continued efforts to enhance opportunities for all Americans to serve their communities.

We particularly appreciate the proposed act's strong emphasis on renewing the ethic of civic responsibility, engaging in locally based and diverse organizations in a system of service delivery that is both decentralized and nationwide; facilitating the replication of existing successful service programs and providing service opportunities for stipended and nonstipended participants, and for persons of all ages." I will not read the whole letter, but it is signed by Elizabeth Dole from the American Red Cross. I hardly expect we would see the support for this bill if the Ballenger amendment were really needed.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. I thank the gentleman for yielding.

Mr. Chairman, I am not going to take a great deal of time. I just want to say one more time that this amendment does not undo anything and does not divide anything. All the protections are already in the law.

There is a grievance procedure in this bill. Strong, nondisplacement and non-duplication provisions already exist in Public Law 101-610. The law says that funding for National Service Trust Act "shall be used only for a program that does not duplicate and is in addition to an activity otherwise available in the locality of such program." The bill itself requires every State or local applicant to establish a grievance procedure precisely to hear complaints about job displacement, and remedies for displacements are included.

All I can say is that the basic idea that unions should be able to grade what other grant applicants are doing is not necessary. All the protections for nonduplication are in the law already, and this bill would not change that.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for his remarks.

Mrs. MORELLA. Mr. Chairman, I rise in opposition to the Ballenger amendment, which would eliminate language from the National Service Trust Act that offers protection and assurance to the regular work force that they would not be replaced by youthful outsiders.

As stated in the bill itself, National Service is intended "to meet the unmet—needs of the United States, without displacing existing workers." The provision requiring the concurrence and consultation with labor unions in national service programs is essential in ensuring that stipended workers without employee status do not take jobs away from full-time, union workers. This is especially important for lesser skilled workers, most of whom are minorities and women. Without antidisplacement protection, workers with lower skills would be most in jeopardy of losing their jobs.

The provision does not give unions undue influence over the outcome of grants. Instead, it provides for the necessary safeguard against the displacement of union workers from jobs similar to those set up as national service positions. The bill merely requires grant applicants to consult with, and to receive the concurrence, of labor unions, who may apply for the same jobs.

In addition, the union consultation and concurrence provisions would strengthen local community involvement in developing local service activities. Local unions representing employees in the workplace and service sponsors would work together to develop an inventory of unmet needs and activities which do not duplicate work already being performed by employees of the service sponsor.

For these reasons, I urge my colleagues to oppose the Ballenger amendment and to retain the language of the bill to protect the regular work force.

Mr. THOMPSON. Mr. Chairman, I am opposed to the Ballenger amendment because it deletes provisions in H.R. 2010 that provide for local union participation in local National Service Programs. For over 20 years, Federal employment and training programs such as the Comprehensive Employment and Training Act [CETA] and the Job Training Partnership Act [JTPA] have included provisions for union consultation so that existing workers are not replaced.

Union consultation does not create a conflict of interest with respect to the national service program. It is advisory and applies only when a service sponsor, who has union employees, proposes community service work that is the same or similar to the work done by the sponsor's union employees.

I strongly urge my colleagues to vote against the Ballenger amendment. I strongly urge my colleagues to vote against any amendments that weaken the National Service Trust Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BALLENGER].

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 153, noes 276, not voting 10, as follows:

[Roll No. 350]

AYES—153

Allard	Gillmor	Moorhead
Archer	Gingrich	Myers
Army	Goodlatte	Nussle
Bachus (AL)	Gooding	Oxley
Baker (CA)	Goss	Parker
Baker (LA)	Grams	Faxon
Ballenger	Grandy	Payne (VA)
Barrett (NE)	Greenwood	Pombo
Barton	Hall (TX)	Porter
Bateman	Hancock	Portman
Bentley	Hansen	Pryce (OH)
Bereuter	Hastert	Quillen
Billirakis	Hefley	Ramstad
Billie	Herger	Ravenel
Boehner	Hobson	Regula
Bonilla	Hoekstra	Ridge
Bunning	Hoke	Roberts
Burton	Huffington	Rogers
Buyer	Hunter	Rohrabacher
Callahan	Hutchinson	Roth
Calvert	Hutto	Rowland
Camp	Hyde	Royce
Canady	Inglis	Saxton
Castle	Inhofe	Schaefer
Clinger	Istook	Schiff
Coble	Johnson, Sam	Sensenbrenner
Collins (GA)	Kasich	Shaw
Combest	Kim	Shuster
Cox	Kingston	Skeen
Crane	Klug	Smith (MI)
Crapo	Knollenberg	Smith (OR)
Cunningham	Kolbe	Smith (TX)
DeLay	Kyl	Solomon
Dickey	Lancaster	Spence
Doolittle	Lewis (CA)	Stearns
Dornan	Lewis (FL)	Stenholm
Dreier	Lightfoot	Stump
Duncan	Linder	Sundquist
Dunn	Livingston	Talent
Emerson	Manzullo	Tauzin
Everett	McCandless	Taylor (MS)
Ewing	McCollum	Taylor (NC)
Fawell	McCrery	Thomas (CA)
Fields (TX)	McInnis	Thomas (WY)
Fowler	McKeon	Upton
Franks (CT)	McMillan	Vucanovich
Galgely	Meyers	Walker
Gallo	Mica	Wolf
Gekas	Michel	Young (FL)
Geren	Miller (FL)	Zeliff
Gilchrest	Molinari	Zimmer

NOES—276

Abercrombie	Browder	de la Garza
Ackerman	Brown (CA)	de Lugo (VI)
Andrews (ME)	Brown (FL)	Deal
Andrews (NJ)	Brown (OH)	DeFazio
Andrews (TX)	Bryant	DeLauro
Applegate	Byrne	Dellums
Bacchus (FL)	Cantwell	Derrick
Baesler	Cardin	Deutsch
Barca	Carr	Diaz-Balart
Barcia	Chapman	Dicks
Barlow	Clay	Dingell
Barrett (WI)	Clayton	Dixon
Becerra	Clement	Dooley
Beilenson	Clyburn	Durbin
Berman	Coleman	Edwards (CA)
Bevill	Collins (IL)	Edwards (TX)
Bilbray	Collins (MI)	Engel
Bishop	Condit	English (AZ)
Blackwell	Conyers	English (OK)
Blute	Cooper	Eshoo
Boehlert	Coppersmith	Evans
Bonior	Costello	Faleomavaega
Borski	Coyne	(AS)
Boucher	Cramer	Farr
Brewster	Danner	Fazio
Brooks	Darden	Fields (LA)

Filner	Lloyd	Ros-Lehtinen
Fingerhut	Long	Rose
Fish	Lowey	Rostenkowski
Flake	Machtley	Roukema
Foglietta	Maloney	Roybal-Allard
Ford (MI)	Mann	Rush
Ford (TN)	Manton	Sabo
Frank (MA)	Margolies-	Sanders
Franks (NJ)	Mezvinsky	Sangmeister
Furse	Markey	Santorum
Gejdenson	Martinez	Sarpalius
Gephardt	Matsui	Sawyer
Gibbons	Mazzoli	Schenk
Gilman	McCloskey	Schroeder
Glickman	McDade	Schumer
Gonzalez	McDermott	Scott
Gordon	McHale	Serrano
Green	McHugh	Sharp
Gunderson	McKinney	Shays
Gutierrez	McNulty	Shepherd
Hall (OH)	Meehan	Sisisky
Hamburg	Meek	Skaggs
Hamilton	Menendez	Slattery
Harman	Mfume	Slaughter
Hastings	Miller (CA)	Smith (IA)
Hayes	Mineta	Smith (NJ)
Hefner	Minge	Snowe
Hilliard	Mink	Spratt
Hinchee	Mollohan	Stark
Hoagland	Montgomery	Stokes
Hochbrueckner	Moran	Strickland
Holden	Morella	Studds
Horn	Murphy	Stupak
Houghton	Murtha	Sweet
Hoyer	Nadler	Swift
Hughes	Natcher	Synar
Inslee	Neal (MA)	Tanner
Jacobs	Neal (NC)	Tejeda
Jefferson	Norton (DC)	Thompson
Johnson (CT)	Oberstar	Thornton
Johnson (GA)	Obey	Thurman
Johnson (SD)	Oliver	Torkildsen
Johnson, E.B.	Ortiz	Torres
Johnston	Orton	Torricelli
Kanjorski	Owens	Towns
Kaptur	Pallone	Traficant
Kennedy	Pastor	Tucker
Kennelly	Payne (NJ)	Unsoeld
Kildee	Pelosi	Velazquez
King	Penny	Vento
Klecza	Peterson (FL)	Visclosky
Klein	Peterson (MN)	Volkmer
Klink	Petri	Walsh
Kopetski	Pickett	Walters
Kreidler	Pickle	Watt
LaFalce	Pomeroy	Waxman
Lambert	Poshard	Weldon
Lantos	Price (NC)	Wheat
LaRocco	Quinn	Whitten
Laughlin	Rahall	Williams
Lazio	Rangel	Wilson
Leach	Reed	Wise
Lehman	Reynolds	Woolsey
Levin	Richardson	Wyden
Levy	Roemer	Wynn
Lewis (GA)	Romero-Barcelo	Yates
Lipinski	(PR)	Young (AK)

NOT VOTING—10

Bartlett	Moakley	Valentine
Frost	Packard	Washington
Henry	Skelton	
McCurdy	Underwood (GU)	

□ 1556

Mr. YOUNG of Alaska changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. MOLINARI

Ms. MOLINARI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. MOLINARI:
In section 501(a) of the National and Community Service Act of 1990, as added by section 301 of the bill, insert the following after paragraph (3):

"(4) PREREQUISITE FOR FUNDING FOR NATIONAL SERVICE EDUCATIONAL AWARDS.—Notwithstanding paragraph (2), no funds are au-

thorized to be appropriated for any fiscal year to provide national service educational awards under subtitle D of title I unless—

"(A) the amount appropriated for such fiscal year for each of the following programs is at least equal to the amount appropriated for such program for fiscal year 1993:

"(i) the college work-study program under part C of title IV of the Higher Education Act of 1965;

"(ii) the supplemental educational opportunity grant program under subpart 3 of part A of title IV of such Act;

"(iii) the State student incentive grant program under subpart 4 of part A of title IV of such Act; and

"(iv) the Perkins loan program under part E of title IV of such Act; and

"(B) the amount appropriated for such fiscal year for the Pell grant program under subpart 1 of part A of title IV of such Act is sufficient to provide a maximum grant in an amount equal to or in excess of \$2,400.

Ms. MOLINARI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. MOLINARI. Mr. Chairman, I rise today to offer my amendment to the bill before us to ensure that in our effort to provide Federal support for national service, we do not damage programs that currently help students with financial need gain access to higher education.

Mr. Chairman, this concern is very real, and it is so real that the American Council on Education [ACE], the organization that represents 1,700 colleges and universities, has written a letter supporting my amendment.

They support national service, but, like me, they are,

Concerned in this budgetary environment that national service not be funded at the expense of already constrained support for education and research programs carried out by the Nation's colleges and universities.

The realization that several post-secondary education assistance programs were cut in President Clinton's fiscal year 1994 budget proposal and in the House-passed Labor, Health and Human Services, and Education appropriations bill has been and still is a troubling trend.

My amendment would create a three-part funding trigger before funds could be made available for the National Service Trust Program. Before this new program is funded:

First, the three campus-based programs—work study, supplemental educational opportunity grants, Perkins loans—would have to be funded, not fully funded, but at their fiscal year 1993 levels;

□ 1600

Second, the State Student Incentive Grant Program would have to be funded at its fiscal year 1993 level; and, third, the Pell Grant Program, a program so many of our constituents desperately rely on, would have to be

funded at a level sufficient to return the maximum student award to the fiscal year 1992 level.

It is crystal clear that we are in a zero sum gain when it comes to funding for education programs. Many of us on both sides of the aisle are concerned about this robbing-Peter-to-pay-Paul approach. In fact, when I offered this amendment in committee, several Members of the other side joined with me.

Mr. Chairman, fully implemented, the Clinton proposal will support approximately 150,000 students in community service positions, at about a \$4 billion cost, while there are some 5 million students participating in the existing college loan and grant programs. This is less than 3 percent of those students eligible for student aid who would be answered by the National Service Program.

The cost per student under the Clinton proposal is conservatively estimated at \$15,560 a year. This compares with the \$2,400 per year a student can currently receive through the Pell Grant Program. This new program will assist less than one-half of 1 percent of the student population.

Mr. Chairman, in conclusion my amendment is very straightforward. If you believe that the funds for national service should not come out of existing student assistance programs, then I urge you to support my amendment.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I fully respect what the gentlewoman thinks her amendment would do and sympathize with it, because I take a backseat to no one in this body over the years of consistently fighting for budgets and then fighting in the appropriations process to put more money where she wants to put more money. I have not always had a whole lot of votes from the people who say "Cut before you spend," but we have managed to put as much as \$2 billion a year in these programs.

Mr. Chairman, I would call your attention to the fact that we are mixing apples and oranges here as the first problem. Last year, the Department of Education underestimated the Pell entitlements by almost \$2 billion. Earlier this year, the House of Representatives passed an urgent supplemental that was called the stimulus package. In that stimulus package was \$2 billion to make up that Pell grant shortfall.

It has been the practice around here for many years to come back and make up the Pell grant shortfall so we did not have to tell young people in school that we were going to take money back away from them before the end of the school year.

Now, this year the House did its job. We passed the \$2 billion. I do not remember how the gentlewoman [Ms. MOLINARI] voted for that \$2 billion

package, but I do not know that anybody on that side of the aisle voted for it.

When it got to the other body, however, the Republicans in the Senate filibustered the bill, and one of the things that went down with that filibuster was the \$2 billion for funding Pell grants.

As a result of that, the Committee on Appropriations had to try to make up that shortfall so that we did not go back to the young people who were in school last year, this past spring and say give us back \$50 or \$100 apiece. They had to reach into 1994 funds and pick up over \$400 million of the shortfall, and they are having to do it with the 1994 appropriations. The reason is, there is not enough money for all of the other campus-based programs in 1994. As a matter of fact, we are only \$76 million short at the present time in the legislation that this House has already passed. The \$76 million shortage is because we had to take such a big chunk of 1994 appropriation money to take care of the problem of the Pell grant shortfall for people who are already in school.

Now, when I say that the gentlewoman from New York [Ms. MOLINARI] is doing something that she thinks will have a salutary effect, I have to confess there was a time when I used to try this same sort of thing. It is called imposing a trigger on the appropriating committees.

It does not work. Every time you try to put a trigger in front of the appropriating committee and substitute our judgment on the authorizing legislation for their judgment on how much is to be spent on the respective programs, it gets a bad reaction, and we never win that way.

It has been my experience that when we go to the Committee on Appropriations and make our case for our programs, that they will search wherever they can to find the money to fund the worthy education programs. Under the guidance for many years of the gentleman from Kentucky [Mr. NATCHER], that is precisely what has happened. The gentleman has been placed in a very indelicate position in the current appropriations process by what the Senate did to the supplemental.

Now, if you think that you get more money from the House Appropriations Committee by going over there with a gun in your hand called a trigger, you are wrong. That is not the way to do business with them. It is not the way that my predecessors as chairmen of the committee have ever gotten any increases in funding, and it is not the way they are likely to happen in the future.

Mr. Chairman, let me simply say we are doing the best we can. In this bill we will be folding in the National Commission on Community Services, the Bush program. The appropriation that

is in this year's appropriation bill is \$105 million to that program, which, after we pass this authorizing legislation, will be transferred over to the National Service Program. We are \$76 million short of fully funding all of the programs in the 1994 appropriations.

Mr. Chairman, if the amendment of the gentlewoman from New York [Ms. MOLINARI] were adopted and became part of the law, a point of order would lie against the money going into the program. I ask Members to defeat the gentlewoman's amendment.

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

Mr. Chairman, this morning I was faxed a letter which I have delivered to the gentleman from Michigan [Mr. FORD] from the Association of Jesuit Colleges and Universities that asked that we present to this body their views, which ironically is strange, because the Jesuit colleges have been very successful in their educational opportunities for all American people without the help of the Federal Government. But they do see an opportunity here to possibly participate in providing under President Clinton's program some new educational opportunities for the American people.

But with respect to the so-called Molinari amendment, I would like to read the paragraph which is in opposition to the Molinari amendment.

Father Tipton, who is the President of the Jesuit Colleges of America, says,

We are particularly concerned about the so-called Molinari amendment which apparently some educational associations are supporting. We wish to be on record of being unalterably opposed to this amendment, for the following reasons: one its inclusion virtually eliminates the possibility of the National Service Program ever being funded. Whether or not funds for the National Service Program come from existing financial aid programs is immaterial in the language of the bill. Two, there is a presumption that there is no room for reform in the current student financial aid program.

Mr. Chairman, I would like to insert that I think there is definitely a way and a reason to reform part of the program.

Continuing to quote Father Tipton:

Three, it would effectively prohibit the future development of one of the most creative programs for student financial aid funding in the last 25 years.

Mr. Chairman, with that recommendation, I am happy to convey to this body the request of the Jesuit colleges, which, incidentally, includes such great universities as Georgetown University, Loyola University, and Spring Hill College in Mobile, AL, my hometown.

Mr. Chairman, I am happy to be able to present the views of these distinguished educational facilities to this body.

Ms. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentlewoman from New York.

Ms. MOLINARI. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, let me just say in response to the Jesuits, we certainly respect their opinion. But in fact their letter acknowledges that they have had no prior stake in the financial programs that I am trying to defend and preserve here.

I also just want to make the point that certainly no one here, not the least of whom myself, challenges the commitment of the chairman to student aid in prior assistance programs. I certainly want to make it clear that the gentleman has been a leader, on behalf of all those generations—maybe not that many generations, Mr. Chairman—who have been recipients of the work of the chairman relative to receiving funding.

□ 1610

And certainly, I would never think to impose my will on the Committee on Appropriations and the chairman of the Committee on Appropriations. I just feel very strongly that we, as a body of Congress, have an ability and, in fact, an obligation to set our priorities and to make those priorities known as an authorizing committee and with the utmost respect to both the chairmen of the authorizing and appropriating committees.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I might inform the gentlewoman, too, that I am a member of that distinguished body on the Committee on Appropriations. I respectfully am going to have to oppose the amendment as well.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, briefly, before I yield to my chairman, I would like to say that I understand the frustration of the gentlewoman from New York [Ms. MOLINARI]. There are times when there are programs that we feel are very vital to our constituencies, that instead of being funded we get reasons why they cannot be funded in favor of other programs that really do nothing for our constituencies. All of us, I guess, have priorities in our own minds as to what those kinds of things we would like to see funded.

I would agree with the gentlewoman that there is definitely a need to increase the Pell grant funding. I would make that argument with her, however, to the Committee on Appropriations.

I think as the gentleman from Michigan [Mr. FORD] has alluded to, that is the place to justify the arguments for that increase, and I certainly would join her in those arguments in attempting to do that.

At this place in time in this bill, this is not the proper place to do it, to set a trigger. I find that most times when

we get a trigger like that, if we want to kill a bill, set a trigger on it and it will certainly kill it.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I think the gentlewoman from New York has illustrated, and I hope Members will appreciate the sincerity with which I say this, it is extremely difficult to disagree with anybody as pleasant and charming as the gentlewoman from New York. She is persistent. She is tough, and she is smart.

She has all of the attributes and characteristics that one would want for their own daughter, and she is very much like my daughter. As a matter of fact, I served with her daddy here, and we came to be good friends, although we were in opposite parties and, frequently we were on the same side in legislative battles.

I do not for a second suggest that there is anything wrong with this amendment, because she has not done her homework. I simply suggest that she and I are jointly, kind of, in this particular set of circumstances, victims of the way this place works and for that reason, while I laud what she would like to accomplish, I do not think it will have that result.

It will get us into trouble and may, as a matter of fact, cause friction between my authorizing committee and the Committee on Appropriations that I try very, very hard to avoid.

Now, the first time that I feel that our authorizing committee is not treated fairly by the Committee on Appropriations, I will be on this floor screaming like a stuck pig. They did not always treat us that well, by the way, not when I first came here. But I have absolutely no complaint about the treatment we have had in recent years.

I fully intend to continue working with them and ask the gentlewoman to consider that my opposition to her amendment is in spite of my strong affection and respect for her.

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

The gentlewoman has done us all a service here in shining a spotlight on the fundamental problem with this bill. I know it is going to come as a surprise to many of my colleagues that I, who have long been a strong supporter of all the educational programs, oppose this bill. And I oppose it reluctantly. After all, I do not like to oppose a motherhood issue, because community service is as American as apple pie.

But I have to oppose this bill, despite the fact that as an educator, if it were up to me, if I had the power, I would probably make community service a requirement for graduation. In fact, I

have done that in my past lives. But that is not what we are here debating today.

What we are debating is the question of the creation of a gigantic new program, a program that, by the way, will create a significant bureaucracy, a program that we are creating at a time when we are facing \$400 billion budget deficits, as far as the eye can see at the same time as the Budget Reconciliation Committee is clawing its way around trying to come up with those \$500 billion savings that the President has ordered.

In fact, if we had the money, which we do not have, I would have taken the work-study program as the nucleus of a program to expand and transform into a community service program. But we have not done that here.

We are creating a new bureaucracy. We are planting the seeds, in my mind, of a new Government program that, with care, will sprout and grow and flourish. And maybe that is good, but it will be creating a new entitlement program, capped, as it may be, but with its own constituency and momentum.

Getting back to what the Molinari amendment will do and why it is so intelligent. It will actually be focusing on the fact that we are doing this at the same time as we are starving, cash starving other programs as we go along.

If Congress is determined to spend \$7.4 billion of new money, which is what this bill authorizes, we should not be paying for it with money that we do not have. We should not be robbing Peter to pay Paul and literally pilfering other worthy and proven programs in this bill.

For example, if we would apply the \$400 million, and I think this gets right to the point of the Molinari amendment, if we would apply the \$400 million authorized under this legislation for this year alone and shift it to the College Work-Study Program, we would increase college work-study authorization by one-third and serve tens of thousands of more worthy students this year alone, if we were to do that.

But I do support what my colleague from New York is doing, because she gets right to that point. The gentlewoman from New York has said rightly that we should not proceed to establish this massive new bureaucracy before we guarantee that our existing programs will not be cash starved. If and when national service is fully funded, and may I tell my colleagues that there are some cynics in this group that love to vote for this but will not vote for the money to fund it, but if and when it is fully funded, it will serve only 150,000 students. The gentlewoman from New York [Ms. MOLINARI] has already stated that.

My colleagues, this is less than 3 percent of the student bodies who are eligible for Federal college assistance.

What about the other 97 percent of the students?

We know what has been happening to them over the years, whether it is Pell grants or work-study. They have been starved for cash. They are going without.

The Molinari amendment logically says that before we establish and enhance a National Service bureaucracy, we guarantee that the college work-study program, Pell grants, Perkins loans, et cetera, are adequately funded. This is why the American Council on Education and many other educators have written to us saying that they support this amendment.

This approach will serve thousands upon thousands of college students through existing programs, whose cost-effectiveness has been proven and whose worth has been proven and who have the support of the American people.

Unfortunately, we are not going to do that today. We are going pass this legislation with a price tag of \$7.4 billion and pay for it with money that we do not have, money that we are mortgaging from our future.

I say, pass the Molinari amendment. Help those students now.

□ 1620

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

Mr. Chairman, the author of this amendment is one of my favorite Members of the House. I not only served with her father, as my friend, the gentleman from Michigan [Mr. FORD], chairman of the Committee on Education and Labor, pointed out, but it is a distinct honor and privilege for me to serve with the gentlewoman.

If I had my way, Mr. Chairman, she would be on two committees. She would be on the Committee on Appropriations and she would be on the Committee on Education and Labor. Since she has been a Member of this House, she has helped us every year with our bill, and that is the bill, Mr. Chairman, that appropriates the money for the Department of Labor, the Department of Health and Human Services, and the Department of Education. Every year she has helped us, and I want her to know that I appreciate it.

The amount that we have in the 1994 appropriations bill for Pell grants is \$6,719 million. Mr. Chairman, that is the highest amount, the largest amount ever appropriated for Pell grants. It is \$631 million over the 1993 level. If we complied with the amendment that is now before the committee, it would require about \$600 million more. I do not know where the \$600 million would come from. We would have to find the money, Mr. Chairman.

The amount of the Pell grant at the present time, as we know, is \$2,250. If I had my way, it would be \$3,500. The au-

thorization, as the gentlewoman knows, and as my friend, the chairman of the Committee on Education and Labor, stated, the total authorization for Pell grants at this point is \$3,900.

Mr. Chairman, when the budget was submitted for fiscal year 1994, the President's budget was \$6,800 million over the amount approved in the budget resolution in the House and in the Senate. We had to come down to the \$6,800 million to start with. After we then began our process on our committee to allocate our 603(b) allocation grants, we were advised that the budget figure that we had to follow then had to come down an additional \$1,300 million, since this was the figure that they submitted to us that was approved by the Congressional Budget Office.

Mr. Chairman, as I have pointed out, if we had our way on our committee, with the help of the Committee on Education and Labor that helps us every year, we would be up to \$3,500. I do not know where the money would come from. We are up to \$2,250, and I know that is low.

Every year when we bring our bill out, Mr. Chairman, when I hear of amendments that are going to be offered to the bill, the first thing that I do, and I do not ask for a rule on our bill. I have never asked for a rule since I have been a Member of Congress on any bill that I am chairman of. I believe you ought to bring it out here and let them offer their amendments.

However, when they do, I always call on my good friend, the gentleman from Michigan [Mr. FORD], and the gentlewoman that offers this amendment to help me with our bill, and they always do.

I thought, Mr. Chairman, in all fairness to the members of the committee, I should point out these figures and let the members of the committee know just where we are from the standpoint of the funding for fiscal year 1994. If I had my way, instead of \$2,250, it would be \$3,500.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I supported last year a bill that would provide funds for students in a very simple way, that they would be able to borrow money to go to school; that they pay that money back, based on the Government rate at which they borrowed it, after graduation. It would be spread out on a term as long as 25 years, and it would be tied to the IRS system and deducted from their pay. That would be on the basis, a percentage agreed to in the beginning, and if they were not working they obviously would not be paying. It could go out over a period of time.

In this case that we supported 2 years ago, and I would be happy to support today, the person getting the benefit of the education pays it back. That is a real contribution they are making to

this country. The Government is giving them a chance to be educated, and I think that is important. That is why I supported this amendment, because it returns a segment to true voluntarism.

The President has brought forth a program that is steeped in bureaucracy, that is encouraging young people to become bureaucrats themselves. It is not a voluntary program. You are not a volunteer in this. You get \$5,000, first of all, toward the education. Then you get the minimum wage for working in this volunteer capacity. You get health care. You get child care. You get a greater payment than the people in my district get for working on a job now, so let us not talk about it being voluntarism. That is just a tool that is being used to sell another bureaucrat program.

What we are doing, really, is undermining a true need. We are serving fewer people and bringing forth a bureaucracy. The last thing I want my three children to do after they have gotten a college education is to work for the Government. Back in our part of the country we would say they are absolutely ruined after doing that. After doing the so-called public service program, they would get out, and it would take another 4 years to train them to get out of the bad habits they have learned in that job.

What I am saying is that we are not doing these folks a service by this. We are trying to create more bureaucrat jobs. What about the need for broad educational systems?

If I am an adult, if I am a lady working in a particular shop and my job is becoming obsolete, and I need an opportunity to go out for 2 years of additional education, upgrade my position and get a better job, I am not in a position if I have two or three children and I want to be able to move on to a better job, I am not in a position to turn around and give 2 years of public service in the middle of raising a family at the particular age I might be. Therefore, I am left out of this program altogether.

I am saying, Mr. Chairman, we are getting ready to spend a great deal of money to give a perception that is not real and create more bureaucracy. I support the gentlewoman's amendment.

Ms. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentlewoman from New York.

Ms. MOLINARI. Mr. Chairman, let me briefly say I am so glad I offered this amendment, so I could receive all these compliments. Nevertheless, I do want to address what the chairman of the Committee on Appropriations has said. I think it is an argument supporting the concern that I have, that today our programs withstand a shortfall of \$600 million, not because anyone does

not have a commitment to these educational programs, but because we are all working under a limited pot of money.

If we do not want to raise taxes, we are going to be faced with some very difficult choices. I am going to authorize those choices right now, to say if we are going to support a national service bill, let us first only respond to the commitment that we have already made to hundreds of thousands of young men and women who rely on the financial assistance programs that have already and previously been established by the U.S. Congress.

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

Mr. Chairman, I rise in opposition to the amendment. We are experiencing a bit of a topsy-turvy world today. The amendments offered earlier with respect to means testing, and now this amendment, are coming from the side of the aisle which has refused consistently to authorize and appropriate more money for higher education. We have always offered the arguments and we have always wanted more money for campus-based student aid, State student incentive grants, Pell grant awards.

We could have had the problem behind us if we had had support from the other side of the aisle on the stimulus package, and their vote, combined with our votes, would have been so large that it would have inspired the Members of the other body to go ahead and vote, \$2 billion in the stimulus package to come to the aid of higher education. It was all there.

We wonder about the motives of the people who suddenly pretend to be concerned very much about increasing the amount of funding available for higher education. Yes, we need more funding. Yes, the American people have indicated education is a very high priority; following health care, education. We have not moved in terms of our budgeting and our appropriations to deal with education in a way which reflects those priorities.

Yes, we need to make some radical changes in our funding priorities, and I would like the gentlewoman from New York [Ms. MOLINARI], my colleague from Staten Island, to use her influence and her reputation to help get on board the effort to get more funds for higher education and more funds for education in general.

I am sure she recognizes that the National Service Act is not a student aid program. It is not for people who are going to college, necessarily. In fact, one of the unique features and best features of the National Service Program is that it is not aimed primarily at college students.

□ 1630

It is aimed at that much neglected group of students who are

transitioning from high school into the world of work and need to find themselves, and make up their minds. And two-thirds at least, if the program is administered correctly, will not be college-bound. So we are pitting the students who are in college or college-bound against those who have been neglected before, and that is who this program would be seeking to help.

Indeed, while doing that, why not look at it in the larger frame, go beyond the parameters of programs for young people and programs for students leaving high school, and move to look at the total picture. Let us cut some programs to make room for education programs. Let us cut the superconducting super collider. We need your vote, we need your influence, we need your reputation as we go to cut the programs that can be cut.

We are going to be offering some amendments to cut the Central Intelligence Agency and intelligence programs which are no longer needed now that we do not have a cold war with the Soviet Union. The Soviet Union is disbanding a large part of its intelligence operation while we are talking about increasing ours. We need your votes and help. We can slow down on the space program. We can look at the opportunity there.

There are numerous places we can get the money in the budget that exists now to fund education programs. We do not need to pit one set of youth programs against another set.

What would have happened in the large cities of America had they decided we are not going to build any airports until all of our roads are repaired? You know, we will not deal with one until we deal with the other.

You do not make those kinds of choices. You do not refuse to fund a national service program until you can take care of the problems of all of the students who need aid. I know those students need more aid, and I am all for that. But I do not think we should stop going forward with a program which brings together people from all income groups and it offers an opportunity for the renewal of this Nation unlike any that we have offered before.

So let us join together and get more funding for higher education. Let the people on this side remember what they are saying today, and remember in respect to this bill when we asked for cooperation and helped seek the funding necessary to fund the Campus-Based Student Act, and to fund Pell grants and other education programs that are very much needed. We need your help, but do not take it out of the hide of the National Service Program. We need the National Service Program also.

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

It was unfortunate that the last speaker was the first speaker who ques-

tioned the motives of the people who were offering the amendments on this side of the aisle, because the very people he was speaking to and asking for their support are the people, the gentlewoman from New York [Ms. MOLINARI] and myself, who have voted against the super collider, who have voted against the space station, who voted against those kinds of expenditures because we were setting priorities.

So it is just a tragedy that all of a sudden, after all of this debate, those who are trying to help, even though you do not need our help because you have a 2 to 1 majority, we were trying to help and have been trying to help over a period of years, so it is just unfortunate that all of a sudden our motives are questioned.

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

Mr. GOODLING. I am happy to yield to the gentleman from New York.

Mr. OWENS. Mr. Chairman, I would like to clarify. I was not questioning motives. I requested that you use your influence. You may have the right position. I requested your influence and your reputation to bring along the other people on your side of the aisle, and the Members in the other body who filibustered the stimulus program, and get them to support your position.

Mr. GOODLING. The gentleman specifically used the word "motive" in his statement.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Ms. MOLINARI].

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

RECORDED VOTE

Ms. MOLINARI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 184, noes 247, not voting 8, as follows:

[Roll No. 351]

AYES—184

Allard	Cantwell	Fawell
Andrews (ME)	Castle	Fields (TX)
Archer	Clinger	Fish
Armye	Coble	Fowler
Bachus (AL)	Collins (GA)	Franks (CT)
Baker (CA)	Combest	Franks (NJ)
Baker (LA)	Condit	Galleghy
Ballenger	Cooper	Gallo
Barrett (NE)	Cox	Gekas
Bartlett	Crane	Geren
Barton	Crapo	Gilchrest
Bateman	Cunningham	Gillmor
Bentley	de la Garza	Gingrich
Bereuter	DeLay	Goodlatte
Bilirakis	Diaz-Balart	Goodling
Bliley	Dickey	Goss
Blute	Dooley	Grams
Boehlert	Doolittle	Grandy
Boehner	Dornan	Greenwood
Bonilla	Dreier	Hancock
Bunning	Duncan	Hansen
Burton	Dunn	Hastert
Buyer	Edwards (TX)	Hefley
Calvert	Emerson	Herger
Camp	Everett	Hobson
Canady	Ewing	Hoke

Horn	McKeon	Schiff
Huffington	McMillan	Schroeder
Hunter	Meyers	Sensenbrenner
Hutchinson	Mica	Shaw
Hyde	Michel	Shuster
Inglis	Miller (FL)	Skaggs
Inhofe	Mink	Skeen
Istook	Molinari	Smith (NJ)
Johnson (CT)	Moorhead	Smith (OR)
Johnson (SD)	Murphy	Smith (TX)
Johnson, Sam	Myers	Solomon
Kasich	Nussle	Spence
Kim	Obey	Stearns
King	Oxley	Stenholm
Kingston	Paxon	Stump
Klug	Petri	Sundquist
Knollenberg	Pombo	Synar
Kolbe	Porter	Talent
Kyl	Portman	Tauzin
Lazio	Pryce (OH)	Taylor (MS)
Leach	Quillen	Taylor (NC)
Levy	Quinn	Thomas (CA)
Lewis (CA)	Ramstad	Thomas (WY)
Lewis (FL)	Ravenel	Torkildsen
Lightfoot	Regula	Vucanovich
Linder	Ridge	Walker
Livingston	Roberts	Walsh
Lloyd	Rogers	Weldon
Machtley	Rohrabacher	Williams
Manzullo	Ros-Lehtinen	Wolf
McCandless	Roth	Young (AK)
Roukema	Royce	Young (FL)
McCrery	Santorum	Zeliff
McDade	Saxton	Zimmer
McHugh	Schaefer	
McInnis		

Payne (NJ)	Sarpaluis	Thornton
Payne (VA)	Sawyer	Thurman
Pelosi	Schenk	Torres
Penny	Schumer	Torricelli
Peterson (FL)	Scott	Towns
Peterson (MN)	Serrano	Traficant
Pickett	Sharp	Tucker
Pickle	Shays	Unsoeld
Pomeroy	Shepherd	Upton
Poshady	Sisisky	Velazquez
Price (NC)	Skelton	Vento
Rahall	Slattery	Visclosky
Rangel	Slaughter	Volkmer
Reed	Smith (IA)	Washington
Reynolds	Smith (MI)	Waters
Richardson	Snowe	Watt
Roemer	Spratt	Waxman
Romero-Barcelo	Stark	Wheat
(PR)	Stokes	Whitten
Rose	Strickland	Wilson
Rostenkowski	Studds	Wise
Rowland	Stupak	Woolsey
Roybal-Allard	Sweet	Wyden
Rush	Swift	Yates
Sabo	Tanner	
Sanders	Tejeda	
Sangmeister	Thompson	

AMENDMENT OFFERED BY MS. MOLINARI
 Ms. MOLINARI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. MOLINARI: In section 131(e) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike subsection (e) and insert the following:

“(e) LIVING ALLOWANCES AND OTHER INSERVICE BENEFITS.—An application submitted under section 130 shall also include an assurance by the applicant that any living allowance, health insurance, child care assistance, or other benefit that the applicant or any other person intends to provide to participants in a national service program carried out or supported by the applicant using assistance provided under section 121 will not be provided using such assistance or any portion of such assistance.

In Section 139 of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike subsections (a) and (b) and insert the following:

“(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform national service for at least one term of service specified in subsection (b).

“(b) TERM OF SERVICE.—

“(1) IN GENERAL.—Except as provided in paragraph (2), an individual performing national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,000 hours during a period of not less than 9 months and not more than 2 years.

“(2) REDUCTION IN HOURS OF SERVICE.—The Corporation may reduce the number of hours required to be served to successfully complete parttime national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

In section 140 of the National and Community Service Act of 1990, as added by section 101(b) of the bill—

(1) in subsection (a)—

(A) in paragraph (1) strike “shall” and insert “may”, and

(B) strike paragraph (2) and insert the following:

“(2) PROHIBITION ON USE OF FEDERAL ASSISTANCE.—The amount of the annual living allowance provided under paragraph (1), or any portion of that amount, may not be paid using assistance provided under section 121 or any other Federal funds.

(2) strike subsection (b).

(3) redesignate subsection (c) as subsection (b), and

(4) strike subsections (d), (e), (f), and (g).

In section 146(b) of the National and Community Service Act of 1990, as added by section 102(a) of the bill, strike “full- or parttime.”

Ms. MOLINARI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. MOLINARI. Mr. Chairman, I rise to offer my amendment to the bill before us, to address my concerns regarding the limited size of the program and

NOT VOTING—8

Clayton	McCurdy	Underwood (GU)
Frost	Moakley	Valentine
Henry	Packard	

□ 1655

Mr. SMITH of Michigan changed his vote from “aye” to “no.”

Mr. JOHNSON of South Dakota, Mr. BLUTE, and Mrs. LLOYD changed their votes from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STUMP

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

The Clerk read as follows:

Amendment offered by Mr. STUMP: Page 79, strike line 18 through 23 and insert the following:

“(a) AMOUNTS GENERALLY.—Except as provided in subsection (b), an individual described in section 146(a) who successfully completes a required term of services in an approved national service position shall receive a national service educational award having a value, for each of not more than 2 of such terms of service, equal to—

“(1) 12 times the monthly rate used for the calculation of basic educational assistance allowances under section 3015(a)(1) of title 38, United States Code, as in effect on the date of the completion of such term of service; multiplied by

“(2) 80 percent.”

Mr. STUMP (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STUMP. Mr. Chairman, after further negotiation with the gentleman from the other side of the aisle, I am going to ask unanimous consent that I be permitted to withdraw my amendment and offer it tomorrow because of time limitations this evening.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

NOES—247

Abercrombie	Edwards (CA)	Kildee
Ackerman	Engel	Kleczka
Andrews (NJ)	English (AZ)	Klein
Andrews (TX)	English (OK)	Klink
Applegate	Eshoo	Kopetski
Bacchus (FL)	Evans	Kreidler
Baesler	Faleomavaega	LaFalce
Barca	(AS)	Lambert
Barcia	Farr	Lancaster
Barlow	Fazio	Lantos
Barrett (WI)	Fields (LA)	LaRocco
Becerra	Filner	Laughlin
Beltonson	Fingerhut	Lehman
Berman	Flake	Levin
Bevill	Foglietta	Lewis (GA)
Bilbray	Ford (MI)	Lipinski
Bishop	Ford (TN)	Long
Blackwell	Frank (MA)	Lowe
Bonior	Furse	Maloney
Borski	Gejdenson	Mann
Boucher	Gephardt	Manton
Brewster	Gibbons	Margolies-
Brooks	Gilman	Mezvinsky
Browder	Glickman	Markey
Brown (CA)	Gonzalez	Martinez
Brown (FL)	Gordon	Matsui
Brown (OH)	Green	Mazzoli
Bryant	Gunderson	McCloskey
Byrne	Gutierrez	McDermott
Callahan	Hall (OH)	McHale
Cardin	Hall (TX)	McKinney
Carr	Hamburg	McNulty
Chapman	Hamilton	Meehan
Clay	Harman	Meek
Clement	Hastings	Menendez
Clyburn	Hayes	Mfume
Coleman	Hefner	Miller (CA)
Collins (IL)	Hilliard	Mineta
Collins (MI)	Hinche	Minge
Conyers	Hoagland	Mollohan
Coppersmith	Hochbrueckner	Montgomery
Costello	Hoekstra	Moran
Coyne	Holden	Morella
Cramer	Houghton	Murtha
Danner	Hoyer	Nadler
Darden	Hughes	Natcher
de Lugo (VI)	Hutto	Neal (MA)
Deal	Inslee	Neal (NC)
DeFazio	Jacobs	Norton (DC)
DeLauro	Jefferson	Oberstar
Dellums	Johnson (GA)	Olver
Derrick	Johnson, E.B.	Ortiz
Deutsch	Johnston	Orton
Dicks	Kanjorski	Owens
Dingell	Kaptur	Pallone
Dixon	Kennedy	Parker
Durbin	Kennelly	Pastor

its cost. My concerns about this bill are purely public policy not philosophical concerns. I am not opposed to national service—but I am skeptical as to whether this bill is how we accomplish our goal.

My amendment will open the National Service Program up to thousands more individuals and foster purer voluntarism rather than creating public service employment. It will make the National Service Trust Act more amenable to the types of part-time volunteer services that thousands of our citizens provide every day, before and after work, during their lunch hours, on the weekends, and during their vacations.

First, my amendment will reduce the term of service participants must complete to receive a \$5,000 education award. Participants will have up to 2 years to complete 1,000 hours of service. This will allow individuals to serve their communities while having the autonomy to decide their volunteer schedule.

Second, my amendment will eliminate the Federal stipend, health care, and child care costs. The elimination of these Federal funds would allow thousands more people to participate under this program.

Simply put, my amendment would provide a \$5,000 educational award per term for 1,000 hours of community service and will allow approximately 77,800 individuals to participate in fiscal year 1994.

Contrast those numbers to the administration's proposal which only covers 25,000 individuals. Additionally, the cost under the administration's proposal for fiscal year 1994 is conservatively estimated to be \$15,560 per year per participant—\$5,000 for the educational award and \$10,560 to support the stipend, health, and child care costs.

Under my amendment, using the administration's request for \$389 million for fiscal year 1994—the number of slots available under this program would go from 25,000 to 77,800 participants per year.

Mr. Chairman, I understand that making national service less like a job and more like voluntarism will make it more difficult for some individuals to participate. However, it is my hope and belief that the local service programs would work with individuals interested in volunteering to achieve a diversity of participation.

The image that has been conjured up by the proponents of this bill is one of motivating and liberating the spirit of voluntarism that can bring communities and the Nation together.

I do not believe, however, that this spirit of voluntarism is adequately captured by the actual provisions of this legislation. The proposal before us looks more like public service employment, with federally financed pay and

fringe benefits. This bill cannot be a panacea for the problem of unemployment. If we are really talking about genuine service, let us get back to true voluntarism.

No one on the House floor is arguing against the goal of national service. It is perhaps the most noble one we together can create. But it is a goal, I believe, that can be met without targeting a very small fraction of our society at an exorbitant price to the American taxpayer. I ask my colleagues to support my amendment.

□ 1700

Mr. MARTINEZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment virtually ensures that only those who can take a year or two off to do service can participate in this program. The disadvantaged, parents who cannot afford child care, those who might need child care, among others, would be unable to participate in this program.

National service is not volunteerism. Service is a way by which participants systematically work full-time or part-time toward solving problems in society. Service provides an opportunity for participants to give something back to their communities in a manner that develops a lasting sense of responsibility for fellow citizens and the Nation as a whole. There will clearly continue to be a demand for volunteers in meeting social needs.

H.R. 2010 recognizes, however, that all people are not equally able to volunteer and seeks to provide opportunities for diverse groups to participate in meeting community needs. Benefits such as the national service stipend, health care and child care costs, are essential to assuring equal opportunity for diverse participants.

The Molinari amendment tries to turn national service into volunteerism. The American people volunteer in record numbers and contribute mightily to charities. We do not need to stimulate volunteerism. We need to promote service.

It really pains me that the author of this amendment does not see the irony of this amendment. Some of the Members on the other side sought to means test this program, ensuring that only the participation of the poor would be available for this program, while this amendment in direct contradiction to that eliminates their participation, because without that stipend and the other benefits they would not be able to participate.

Further, this amendment seeks to allow for part-time participation in national service; but such language is really unnecessary because in H.R. 2010 it already exists and we make allowances for part-time service.

For that reason, Mr. Chairman, I urge the Members not to support this amendment, to vote against it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Ms. MOLINARI]. The amendment was rejected.

AMENDMENT OFFERED BY MR. SOLOMON
Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON:
Page 247, after line 3, strike the close quotation marks and the final period.

Page 247, after line 3, insert the following new subsection:

“(d) SPECIFICATION OF BUDGET FUNCTION.—The authorizations of appropriations contained in this section shall be considered to be a component of budget function 500 as used by the Office of Management and Budget to cover education, training, employment, and social services, and, as such, shall be considered as related to the programs of the Departments of Labor, Health and Human Services, and Education for budgetary purposes.”

Page 284, after line 4, insert the following new paragraph:

“(5) SPECIFICATION OF BUDGET FUNCTION.—The authorizations of appropriations contained in this subsection shall be considered to be a component of budget function 500 as used by the Office of Management and Budget to cover education, training, employment and social services, and, as such, shall be considered as related to the programs of the Departments of Labor, Health and Human Services, and Education for budgetary purposes.”

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I rise today in opposition to the National Service Trust Act in its present form, as it directly violates the trust we, as a Nation, have with those individuals who have performed what I think is the ultimate service for our country, and that is America's veterans.

Mr. Chairman, once again, we are placing our veterans on the altar of sacrifice so that this House can find the revenues necessary for its social spending, and I think that is wrong.

So many times in our great Nation's history, American men and women have voluntarily placed themselves in danger for the protection of our country and the principles upon which it was founded. And yet, now in response to their unselfish sacrifice we are asking them, once again, to step forward, to give up their health care benefits, to close down their clinics, to forget their war injuries, and carry the water once again for the good of the country.

A lot of Members do not think that is what this bill does, and I will take for granted that they are sincere about that; but I believe that is exactly what this bill does.

Mr. Chairman, our veterans have already found the water, defended the water, and carried the water all over the world for all of us.

Is it not about time we recognize the fact that without the national service of these men and these women, we would not even be here today discussing a domestic community service program?

Mr. Chairman, as presently written, the National Service Trust Act finds its funds in the pockets of our Nation's veterans. H.R. 2010 places the National Service Program under the jurisdiction of the appropriations subcommittee dealing with the Departments of Veterans Affairs, Housing, and the independent agencies.

Why?

Mr. Chairman, once again this Congress has made a grave mistake if we go ahead and do this.

First of all, this national service plan is not merely a community service program but a student loan assistance program; yet none of the National Service Act funds are taken from that part of the budget.

Second, the national service plan not only encompasses educational grants and loans, but also community service jobs, subsidized health and child care and minimum wage regulations. These projects clearly have nothing to do with veterans, housing, or the independent agencies, and therefore fall outside the jurisdiction of that budget function. Placing this National Service Program in this subcommittee function forces students and veterans to compete for limited funding, some of which this House has already appropriated specifically for veterans. And here we are going to take it away from them.

Furthermore, the Subcommittee on VA, HUD, and the Independent Agencies is already strained for fiscal resources. Was it more than mere coincidence that the President's budget called for a cut of more than \$340 million in veterans' educational programs in fiscal year 1994 while concurrently seeking \$384 million—almost the same amount—in nonmilitary national service program educational benefits for 1994?

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield, the gentleman might like what I have to say.

Mr. SOLOMON. Well, just let me finish my statement.

Mr. FORD of Michigan. I cannot even give the gentleman a gift? I want to accept the gentleman's amendment.

Mr. SOLOMON. Let me finish.

Mr. FORD of Michigan. Well, we can get a vote on it, if the gentleman wants, but I am willing to accept the gentleman's amendment.

Mr. SOLOMON. Well, Mr. Chairman, I thank the gentleman for that gift. That is very nice of the gentleman. Let me just finish with my remarks.

The fact that both of these actions were performed under the jurisdiction of the Veterans' Administration made

it patently obvious to me that non-military national service was favored over military service, and at the expense of America's veterans.

As a result, the Veterans' Affairs Committee was forced to cut its budget by \$2.5 billion over the next 5 years.

At a cost of at least \$7.4 billion over the next 4 years, this national service plan will further erode funds for veterans' benefits and health care, and that is what I am worried about.

Proponents of this method of funding the National Service Program argue that the subcommittee already funds the existing national service initiative.

However, the existing program is extremely small, somewhat private—as a matter of fact, almost all private—and requires little to no administrative bureaucracy.

On the other hand, this new program is very expensive, at least \$7.4 billion, as I mentioned before, over 4 years, very inefficient, and requires excessive administration.

Some supporters also actually argue that it is necessary for this program to be funded under the VA, HUD Subcommittee because this bill creates a new independent agency.

Well, Mr. Chairman, that is what we are here for.

At a time of cutting spending and downsizing Government, national service creates a whole new agency and bureaucracy if we leave it set up the way it is in this bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. SOLOMON was allowed to proceed for 2 additional minutes.)

□ 1710

Furthermore, if placed here in this part of the budget, what is to prevent this Congress from coming back next year to spend more taxpayer money and to further increase the size of Government, at further expense of veterans programs.

Just summing up, Mr. Chairman, I think this is poor budget policy. Placing this boondoggle under the responsibility of the VA, HUD Subcommittee only serves to further burden an already overstrained subcommittee.

In an attempt to rectify this affront to veterans and the budget process, the Solomon/Stump amendment provides specific budgetary instructions assuring that the National Service Program will be totally funded by the appropriations subcommittee on Labor, HHS, and Education, and shall not in any way compete with the funding of veterans programs. That is really all this amendment does.

The Solomon/Stump amendment also specifies budget function 500 as the function category from which these funds will be procured. Function category 500 deals with education, training, employment and social services,

which truly reflects the meaning and intent of national service, rather than function category 700 and the Appropriations Subcommittee on VA, HUD, and Independent Agencies.

Mr. Chairman, the Solomon/Stump amendment is strongly supported by all major veterans organizations including the American Legion, the VFW, the Non Commissioned Officers Association of America, and the American Vets, and I will be placing those letters in the RECORD.

Mr. Chairman, this amendment will reverse the manipulation of the budget and the appropriation process which has occurred over the past few years much to the detriment of America's veterans.

Funding this program from the pockets of our Nation's veterans is totally unacceptable and fiscally irresponsible. Veterans will compete with National Service for Federal funds, at a time when the existing appropriated funds do not, even cover the health benefits of our citizens who served in uniform.

Mr. Chairman, on top of undermining military recruiting, ruining the true spirit of voluntarism, encouraging students to drop out of high school, creating a new and costly bureaucracy, and serving less than one-half of 1 percent of the population, this program, if it is funded out of the veterans program, will cause great havoc to our funding for VA hospital and health care programs.

So, I would ask the Committee to accept the amendment.

THE AMERICAN LEGION,
Washington, DC, June 23, 1993.

Hon. WILLIAM H. NATCHER,
Chairman, House Appropriations Committee,
The Capitol, Washington, DC.

DEAR CHAIRMAN NATCHER: On behalf of the 3.1 million members of The American Legion, I take this opportunity to express the genuine concern for the addition of President Clinton's National Service Plan into the Appropriations Subcommittee on VA, HUD and Independent Agencies, in lieu of the Subcommittee on Labor, Health and Human Services and Education.

The logic behind this decision escapes our understanding. The new expenditure involves educational grants and loans, community service jobs and subsidized health and child care. These components clearly fall into the jurisdiction of the Labor-HHS appropriations subcommittee.

The Subcommittee on VA, HUD and Independent Agencies continues to do more with less. This year alone, the Veterans Affairs Committee was instructed to cut its budget by \$2.5 billion over a five year period. Mr. Chairman, the national deficit cannot continue to be balanced on the backs of veterans and their family members.

In reviewing the National Service Plan, there appears to be duplication of several existing programs. To consolidate the National Service plan with other existing educational programs, such as PELL grants, Jobs Training Partnership Act (JTPA) and Job Corps seems logical. Rather than the National Service Plan competing against other educational programs, why not incorporate them and make community service a criteria

for receiving Pell grants or JTPA funding. "Reinventing government" is suppose to eliminate duplication and combine efforts.

Thank you for your continued leadership on behalf of America's Veterans and their families.

Sincerely,

ROGER A. MUNSON,
National Commander.

THE AMERICAN LEGION,
Washington, DC, June 23, 1993.

Hon. ROBERT C. BYRD,
Chairman, Senate Appropriations Committee,
The Capitol, Washington, DC.

DEAR CHAIRMAN BYRD: On behalf of the 3.1 million members of The American Legion, I take this opportunity to express the genuine concern for the addition of President Clinton's National Service Plan into the Appropriations Subcommittee on VA, HUD and Independent Agencies, in lieu of the Subcommittee on Labor, Health and Human Services and Education.

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Thank you for your continued leadership on behalf of America's Veterans and their families.

Sincerely,

ROGER A. MUNSON,
National Commander.

THE AMERICAN LEGION,
Washington, DC, May 5, 1993.

Memorandum to: Robert Spanogle and John Sommer.

Subject: The National Service initiative versus Montgomery GI bill.

The National Service Initiative has three basic components: The National Trust, EXCEL Accounts and One-Stop Direct Student Loans. The National Service Trust will be closely akin to the Montgomery GI Bill. The other two components deal with student loans and repayment options and incentives. The Montgomery GI Bill does not contain provisions for student loans.

Under the current Montgomery GI Bill, enrollment is not automatic. A participant in the Montgomery GI Bill program must agree to pay \$1200 during the first year of active duty to enroll in the program. After three years of active duty, the participant is entitled to \$400 a month for 36 months as a full-time student. If the participant is not a full-time student, the entitlement is reduced. There are no provisions for health care, child

care or a minimum wage stipend for Montgomery GI Bill participants.

Under the proposed National Service Trust, a person may become eligible for two years participation. Participants pay nothing to enroll in the program. Participants receive a maximum \$5000 award per year for college or job training paid directly to the educational or training institution. In addition, participants will receive a minimum wage stipend, health care and child care, if needed. The type of community service to be performed will be determined by the local communities to meet local needs. This proposal clearly exceeds the current Montgomery GI Bill benefits.

The specifics on who is eligible; criteria for selection; and who qualifies for stipends, health care and child care were not very clear. I believe those points will be discussed if and when the programs become a reality. I am curious if veterans, who are using the GI Bill could apply for these programs?

STEVEN ROBERTSON,
Deputy Director,
National Legislative Commission.

MR. PRESIDENT, HOW ABOUT A GI BILL FOR GIS?

WASHINGTON, April 30, 1993.—"If laying down your life for your country isn't a 'national service,' then nothing is," said Roger A. Munson, National Commander of the American Legion.

"The American Legion is not criticizing the president for introducing a national service plan that would provide education for millions of young Americans. We have always supported such education," said Munson, the top official in the 3.1-million member veterans group.

"However, we do think it a strange set of priorities when those who are currently providing national service to their country are entitled to less benefits than those who are yet to serve their nation. What do we say to brave young men and women who served with distinction in Desert Storm and who at this very moment are on duty in Somalia and flying over Bosnia?"

Munson continued: "It is only right and just that we recognize the highest form of national service—service in the Armed Forces of the United States."

"The morale of the armed forces in a nose-dive," Munson said. "First came defense cuts and involuntary discharges. Then came plans to lift the ban on homosexuals and place women in combat. Now comes an education package for 'national service' that's superior to the GI Bill, and the veterans don't even have an opportunity to participate in it."

The American Legion commander pointed out that Senator Sam Nunn sponsored an unsuccessful "Citizen Corps" bill in 1989 that would have revamped the military's GI Bill and created national service for civilians, with benefits carefully weighted to ensure that service members received better educational benefits than those yet to provide any national service.

The American Legion commander urged the administration to consider the Combat-Era Serviceperson's Readjustment Act of 1993. The measure, introduced today by Sen. Dennis DeConcini, provides for a substantial improvement in GI Bill education benefits.

NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA,

Alexandria, VA, July 20, 1993.

Hon. GERALD B. SOLOMON,
House of Representatives, Washington, DC.

DEAR MR. SOLOMON: The Non Commissioned Officers Association of the United

States of America (NCOA) is pleased to support your amendment to H.R. 2010, the National Service Trust Act of 1993, to appropriately place budgetary functions of the non-military National Service Program under the appropriations subcommittee on Labor, Health and Human Services, and Education.

NCOA believes that it was more than mere coincidence that the President's budget called for a cut of \$340 million in veterans' educational programs for Fiscal Year 1994 while concurrently seeking \$384 million in non-military National Service Program educational benefits. The fact that both actions were under the jurisdiction of the Veterans Administration made it patently obvious that non-military national service was favored over military service and at the expense of America's veterans.

The association believes that military service represents the highest form of national service; therefore, educational assistance associated with military service should be rewarded accordingly and should not be required to compete for funding appropriations in the same budget function category as that for non-military educational assistance. NCOA believes that your amendment is an accurate reflection of the budget function category where non-military national service educational assistance should be placed, specifically, function category 500 which deals with education, training, employment, and social service.

NCOA agrees with your assessment that passage of your amendment will reverse the manipulation of the budget and appropriations processes which have repeatedly occurred and always to the detriment of America's veterans.

Sincerely,

LARRY D. RHEA,
Deputy Director of Legislative Affairs.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, July 19, 1993.

Hon. GERALD SOLOMON,
Hon. BOB STUMP,
House of Representatives, Washington, DC.

DEAR CONGRESSMEN SOLOMON AND STUMP: On behalf of the more than 2.2 million men and women of the Veterans of Foreign Wars of the United States, I wish to take this opportunity to commend you for introducing two amendments to H.R. 2010, the "National Service Trust Act of 1993". Your amendments directly address two concerns the VFW has with the national service plan: One, we do not support any plan which would give a greater benefit than the Montgomery GI Bill; and two, we believe that a national service plan should not be placed under the jurisdiction of VA, HUD, and Independent Agencies, but rather come under the Appropriations Subcommittee for Labor—Health and Human Services.

By limiting the benefit for the national service plan to not exceed 80% of the benefit provided by the Montgomery GI Bill, the military service would remain a preferable option for individuals who wish to serve the nation in the Armed Forces while at the same time accruing funds to attend college. Also we commend you for offering an amendment that would place the national service plan under the Appropriations Subcommittee for Labor—Health and Human Services. As you know, VA funding has been woefully inadequate over the years and part of the reasoning for this is that VA is constantly in direct competition with other agencies for a fair share of the budget dollar. Placing the

national service plan under the jurisdiction of VA, HUD, and Independent Agencies Subcommittee is just another action that would inevitably undermine the VA's ability to fulfill its commitment to care for the men and women who have served our nation.

Again, the VFW strongly supports the two amendments you plan to offer and encourages their adoption.

Sincerely,

JAMES N. MAGILL,
*Director,
National Legislative Service.*

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, June 18, 1993.

Hon. WILLIAM H. NATCHER,
*Chairman, Committee on Appropriations,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: It has come to our attention that a proposal is soon to be offered for consideration by the committee that would place funding for the National Service Program under the jurisdiction of the VA, HUD and Independent Agencies Subcommittee. On behalf of the 2.2 million men and women of the Veterans of Foreign Wars, I express our strong opposition to this proposal.

As you know, VA funding has been woefully inadequate over the years. Part of the reasoning for this is VA is constantly in direct competition with other agencies for a fair share of the budget dollar. This proposal would place VA in direct competition with yet another domestic program. This is just another action that would inevitably undermine the VA's ability to fulfill its commitment to care for the men and women who have served our nation.

Mr. Chairman, the VFW urges that the National Service Program not be placed under the jurisdiction of VA, HUD and Independent Agencies but remain under Labor—Health and Human Services.

Sincerely,

JOHN M. CARNEY,
Commander-in-Chief.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was called off the floor by a group of college presidents, and the staff told me, I say to the gentleman from New York [Mr. SOLOMON], that before I returned it was indicated that, if I would accept the gentleman's amendment, he would be inclined to support this bill, and, if that is true, I will accept the gentleman's amendment. I think the gentleman's vote is so valuable that I am willing to take his amendment to get it.

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

Mr. FORD of Michigan. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I say to the gentleman that there are a couple of other important amendments which I have a lot of concern about.

Mr. FORD of Michigan. I am not going to accept other amendments that are not printed, but this amendment I think I understand, and I think I understand a proposition when it is thrown at me, and, if that is the gentleman's proposition, I will take him up on it, and I will accept his amendment.

Mr. SOLOMON. Mr. Chairman, Nancy Reagan used to say, "Just say no," but I just cannot say "yes" yet.

But look, seriously, I would be much more inclined to support the bill. But I am more concerned that these benefits do not exceed those of the GI bill, and, as the gentleman knows, I will have to wait and see what happens with these other amendments.

Mr. FORD of Michigan. Mr. Chairman, I say to the gentleman, "Mr. SOLOMON, you have no idea how many people will demand an explanation from me of why I would accept a Solomon amendment to begin with, and I cannot win if I try to take the amendment and the gentleman does not want to do business."

I do not take lightly what the gentleman says on the floor. He is the ranking member of the Committee on Rules. I do not take lightly what he says up there. He has got my legislative future in his hands at least once every 2 weeks around this place.

Let us make a deal right here and make everyone feel good. I say to the gentleman, "I'll take your amendment, and you vote for the bill."

Mr. SOLOMON. Mr. Chairman, I would love to do that, but I just cannot do it because I really would like to deliberate on the final form of the bill. Let us see what happens with the next two amendments.

Mr. FORD of Michigan. Then unfortunately, Mr. Chairman, I do not know what the reason is that I cannot even give the gentleman what he spoke of and said that he wanted. For that reason I will have to decide there is something in the amendment that I do not see and, therefore, I will have to oppose the adoption of the amendment.

Mr. STEARNS. Mr. Chairman, will the gentleman yield for just a question?

Mr. FORD of Michigan. I yield to the gentleman from Florida.

Mr. STEARNS. Obviously the gentleman has not seen the final bill, and many of us have not seen what the final bill will look like, so I think all of us will have to reserve. But I encourage the gentleman to accept the amendment because that would be one more step toward allowing all of us to support this, but there are many more amendments to come, so I would appreciate reconsideration.

Mr. FORD of Michigan. All right; Mr. Chairman, I hear the gentleman.

Now the gentleman from New York [Mr. SOLOMON] said he would be inclined to support this bill if I could get this amendment accepted. The gentleman from Florida [Mr. STEARNS] is now asking me to accept the amendment. I ask the gentleman, "Can I get your vote if I accept the amendment?"

Mr. STEARNS. Mr. Chairman, I say to the gentleman, "I'm willing to bargain with you if you'll accept some of the Molinari."

Mr. FORD of Michigan. I am not asking for both of them, just the gentleman's.

Mr. STEARNS. How about the Molinari amendment? I ask the gentleman, "Will you accept the Molinari amendment?"

Mr. FORD of Michigan. No, no, no.

Mr. STEARNS. I would be more inclined if the gentleman would accept the Molinari amendment.

Mr. FORD of Michigan. Well, would the gentleman in good faith commit to vote for the bill if I accept the gentleman's amendment?

Mr. STEARNS. The Molinari amendment?

Mr. FORD of Michigan. No; your amendment.

Mr. STEARNS. Oh, I do not have an amendment.

Mr. FORD of Michigan. Is the gentleman supporting this amendment?

Mr. STEARNS. I am supporting the amendment offered by the gentleman from New York [Mr. SOLOMON], and I have seen the gentleman on the House floor before, and I think the gentleman has been very fair, and I think in good conscience I urge him to accept the Solomon amendment.

Mr. FORD of Michigan. Well, would the gentleman tell me what percentage there is in saying, "Yes," if the gentleman does not even have the respect in the morning that I had the night before. I mean those guys want it all.

Mr. STEARNS. I appreciate the gentleman having offered me this time.

Mr. FORD of Michigan. I am offering to say yes, but the gentlemen are not giving me much respect.

Mr. Chairman, I will have to oppose the amendment because it apparently means something other than that which it states on its face.

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

Mr. Chairman, I am not going to take 5 minutes, and I am not going to try to make any deals either on this bill. I do want to place in the RECORD my written opposition to this bill.

Mr. Chairman, many other speakers before me have already very eloquently stated their opposition to the bill, and I submit the following statement for the RECORD.

Mr. Chairman, like many of my colleagues, I feel that national service is an ill-advised initiative which does not meet the urgent needs for educational opportunities.

I feel that there are a number of significant flaws in the national service proposal. Of major concern is the cost of the program which well outweigh any benefits. The cost of the National Service Act is estimated at \$394 million for 1993-94, reaching an estimated total of \$7.4 billion during the first 4 years. The program will fund up to 25,000 young persons in the first year, with a goal of up to 150,000 in 1998. The estimated cost per student could be anywhere between \$20,000 and \$29,000. This compares with the maximum \$2,400 per year a student can currently receive through the Pell Grant Program. While the cost of the service program will reach into the billions of dollars, it would only help a small fraction of

the 3.9 million students currently being assisted by the Guaranteed Student Loan Program and the 2.5 million students who receive Pell grants. With the same funds, these students could pay an entire tuition bill at many 4 year colleges.

In addition, I do not feel that the National Service Trust Act should be funded at the expense of existing programs under which millions of students have already been promised assistance for the fall semester. In order to pay for the National Service Program the administration has proposed reductions in student aid funding amounting to \$78.3 million and would reduce the maximum Pell grant from this academic year's level of \$2,400 to \$2,250. The administration has also proposed to eliminate the State Student Incentive Grant Program.

While proposing cuts for these need-based Federal aid programs, the existing service proposal will not target those students who have the greatest need for financial assistance. In fact, this new program will not require any proof of financial need in order to qualify. This program could easily widen the economic gap and take higher education out of the reach of our neediest students.

In addition, the proposed plan will undoubtedly require new Federal and State bureaucracies to implement and oversee the service program. Funding for the program will be administered by politically appointed boards chosen by Governors at the State level, and by the President at the national level. This type of a delivery system opens the door for political favoritism rather than meeting the needs of potential recipients. I think taxpayers are tired of funding the political bureaucracies behind Federal and State programs.

I urge my colleagues to oppose the National Service Trust Act.

Mr. STUMP. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from New York, my good friend and distinguished ranking member of the Rules Committee, Mr. SOLOMON. The amendment would require that funding for the President's proposal to award educational benefits to persons participating in community service would be totally funded through the Labor, HHS, and Education Subcommittee on Appropriations.

For a number of reasons, I am opposed to H.R. 2010, but chiefly because it would in my opinion only serve to increase the recruitment difficulties being experienced by the Armed Forces in the aftermath of Defense drawdown. However, to request that funding for this program come through the Subcommittee on VA, HUD and Independent Agencies is to add further insult to the injuries already being experienced by the Department of Veterans' Affairs.

For several years I have supported a measure which would establish a separate appropriations Subcommittee on Veterans' Affairs.

This resolution was based on the historical trend of veterans receiving insufficient funding priority within the VA, HUD and Independent Agencies Subcommittee due to the enormous demands of allocating limited resources between such diverse demands as science, space, housing, environmental restoration, various assortment of independent agencies, and our Nation's 27 million veterans. Funding

for the Department of Veterans Affairs has not kept pace with inflation for over 11 years, especially in health care costs.

Now H.R. 2010 would add yet another costly program to compete for the scarce health care dollars needed to care for our Nation's aging veteran population.

The challenges of meeting the health care needs of veterans are very real. The median age of the World War II veteran is 69. By the year 2000, the number of veterans over age 65 will rise to 9 million. The stark reality is that VA has neither overcome earlier funding deficits, nor can it overcome the challenge of caring for older veterans with the levels requested by the administration for fiscal year 1994.

Because of enormous competition for funding from the other domestic needs under the jurisdiction of the VA, HUD and Independent Agencies Subcommittee, VA has consistently fallen short in its ability to meet the needs of veterans.

What's more, this administration requested cuts to the GI bill program and other important veterans programs in order to achieve the mandated \$2.5 billion savings required by budget reconciliation. So while the Committee on Veterans' Affairs is scrambling around every year trying to choose cost-savings proposals in an already bare bones VA budget, the President is proposing yet another program to further erode funds for veterans.

So as always, it comes down to a choice, do we continue to meet the obligation to care for the veterans who have already contributed to national service? Or do we lessen our commitment to these veterans, many who are aging with catastrophic war incurred disabilities, so that we can as the President says, invest in America's future. It is dishonorable to abandon the past and those who have already answered the Nation's call so that we can create new programs with borrowed money for future generations. A solid future must be supported by a strong and honorable past. To ignore those who served in the past ensures the instability of future generations.

The amendment would eliminate this offensive quandary. It would require that the National Service Program fall under the more appropriate jurisdiction of Labor, HHS and Educational Appropriations Subcommittee.

Mr. Chairman, I urge my colleagues to support the Solomon/Stump amendment to H.R. 2010.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

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

RECORDED VOTE

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

A recorded vote was ordered. The vote was taken by electronic device, and there were—ayes 259, noes 171, not voting 9, as follows:

[Roll No. 352]

AYES—259

Allard	Archer	Bachus (AL)
Andrews (TX)	Armey	Baker (CA)
Applegate	Bacchus (FL)	Baker (LA)

Ballenger	Gunderson	Pallone
Barrett (NE)	Gutierrez	Parker
Barrett (WI)	Hali (OH)	Paxon
Bartlett	Hancock	Payne (VA)
Barton	Hansen	Penny
Bateman	Hastert	Peterson (FL)
Bentley	Hastings	Peterson (MN)
Bereuter	Hayes	Petri
Bevill	Hefley	Pickett
Bilirakis	Hefner	Pickle
Bishop	Herger	Pombo
Billey	Hilliard	Pomeroy
Blute	Hoagland	Portman
Boehkert	Hobson	Poshard
Boehner	Hochbrueckner	Pryce (OH)
Bonilla	Hoekstra	Quillen
Borski	Hoke	Quinn
Brewster	Horn	Rahall
Browder	Houghton	Ramstad
Bryant	Huffington	Ravenel
Bunning	Hughes	Regula
Burton	Hunter	Richardson
Buyer	Hutchinson	Ridge
Callahan	Hutto	Roberts
Calvert	Hyde	Rogers
Camp	Inglis	Rohrabacher
Canady	Inhofe	Ros-Lehtinen
Cantwell	Inslie	Roth
Castle	Istook	Roukema
Clement	Jacobs	Rowland
Clinger	Johnson (CT)	Royce
Clyburn	Johnson, Sam	Sangmeister
Coble	Kasich	Santorum
Collins (GA)	Kennedy	Sarpalio
Combest	Kildee	Saxton
Condit	Kim	Schaefer
Cooper	King	Schiff
Costello	Kingston	Sensenbrenner
Cox	Klink	Serrano
Cramer	Klug	Sharp
Crane	Knollenberg	Shaw
Crapo	Kolbe	Shays
Cunningham	Kyl	Shuster
de la Garza	Lambert	Siskiy
Deal	LaRocco	Skeen
DeFazio	Laughlin	Slatery
DeLay	Lazio	Slaughter
Derrick	Leach	Smith (MI)
Deusch	Levy	Smith (NJ)
Diaz-Balart	Lewis (CA)	Smith (OR)
Dickey	Lewis (FL)	Smith (TX)
Dooley	Lewis (GA)	Snowe
Doolittle	Lightfoot	Solomon
Dornan	Linder	Spence
Dreier	Lipinski	Spratt
Duncan	Livingston	Stearns
Dunn	Machtley	Stenholm
Edwards (TX)	Manzullo	Stump
Emerson	McCandless	Sundquist
Everett	McCollum	Synar
Ewing	McCrery	Talent
Fawell	McDade	Tanner
Fields (LA)	McHugh	Tauzin
Fields (TX)	McInnis	Taylor (MS)
Fingerhut	McKeon	Taylor (NC)
Fish	McMillan	Tejeda
Fowler	Meehan	Thomas (CA)
Franks (CT)	Meek	Thomas (WY)
Franks (NJ)	Menendez	Torkildsen
Galleghy	Mfume	Trafficant
Gallo	Mica	Upton
Gekas	Michel	Volkmer
Geren	Miller (FL)	Vucanovich
Gilchrest	Minge	Walker
Gillmor	Molinari	Walsh
Gilman	Montgomery	Weldon
Gingrich	Moorhead	Williams
Glickman	Morella	Wolf
Goodlatte	Myers	Young (AK)
Goodling	Nussle	Young (FL)
Goss	Obey	Zeliff
Grams	Ortiz	Zimmer
Grandy	Orton	
Greenwood	Oxley	

NOES—171

Abercrombie	Beilenson	Brown (OH)
Ackerman	Berman	Byrne
Andrews (ME)	Bilbray	Cardin
Andrews (NJ)	Blackwell	Carr
Baesler	Bonior	Chapman
Barca	Boucher	Clay
Barcia	Brooks	Clayton
Barlow	Brown (CA)	Coleman
Becerra	Brown (FL)	Collins (IL)

Collins (MI)	Kennelly	Reynolds
Coppersmith	Klecza	Roemer
Coyne	Klein	Romero-Barcelo (PR)
Danner	Kopetski	Rose
Darden	Kreidler	Rostenkowski
de Lugo (VI)	LaFalce	Roybal-Allard
DeLauro	Lancaster	Rush
Dellums	Lantos	Sabo
Dicks	Lehman	Sanders
Dingell	Levin	Sawyer
Dixon	Lloyd	Schenk
Durbin	Long	Schroeder
Edwards (CA)	Lowey	Schumer
Engel	Maloney	Scott
English (AZ)	Mann	Shepherd
English (OK)	Manton	Skaggs
Eshoo	Margolies-	Skelton
Evans	Mezvinsky	Smith (IA)
Faleomavaega (AS)	Markey	Stark
Farr	Martinez	Stokes
Fazio	Matsui	Strickland
Filner	Mazzoli	Studds
Flake	McCloskey	Stupak
Foglietta	McDermott	Swett
Ford (MI)	McHale	Swift
Ford (TN)	McKinney	Thompson
Frank (MA)	McNulty	Thornton
Furse	Miller (CA)	Thurman
Gejdenson	Mineta	Torres
Gephardt	Mink	Torricelli
Gibbons	Mollohan	Towns
Gonzalez	Moran	Tucker
Gordon	Murphy	Unsoeld
Green	Murtha	Velazquez
Hall (TX)	Nadler	Vento
Hamburg	Natcher	Visclosky
Hamilton	Neal (MA)	Washington
Harman	Neal (NC)	Waters
Hinchee	Norton (DC)	Watt
Holden	Oberstar	Waxman
Hoyer	Oliver	Wheat
Jefferson	Owens	Whitten
Johnson (GA)	Pastor	Wise
Johnson (SD)	Payne (NJ)	Wise
Johnson, E.B.	Pelosi	Wooley
Johnston	Porter	Wyden
Kanjorski	Price (NC)	Wynn
Kaptur	Rangel	Yates
	Reed	

NOT VOTING—9

Conyers	McCurdy	Packard
Frost	Meyers	Underwood (GU)
Henry	Moakley	Valentine

□ 1745

Mr. PORTER changed his vote from "aye" to "no."

Messrs. PALLONE, GUNDERSON, EDWARDS of Texas, CLEMENT, DEUTSCH, ROWLAND, KLUG, KLINK, COSTELLO, POSHARD, LIPINSKI, SANGMEISTER, DEAL, DOOLEY, BREWSTER, SARPALIUS, HOAGLAND, BRYANT, and HASTINGS, Ms. SLAUGHTER, Messrs. GUTIERREZ, HEFNER, CLYBURN, FIELDS of Louisiana, HILLIARD, HOCHBRUECKNER, and RICHARDSON, Mrs. MEEK, Mr. BISHOP, Mr. BORSKI, Mrs. MORELLA, and Messrs. BACCHUS of Florida, MFUME, BARRETT of Wisconsin, MENENDEZ, HUGHES, LEWIS of Georgia, KILDEE, DEFAZIO, LAROCO, FINGERHUT, SERRANO, PETERSON of Florida, HALL of Ohio, and INSLEE changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mrs. FOWLER. Mr. Chairman, as a volunteer in my own community for the past 22 years, I wholeheartedly support the concept of service. Unquestionably, higher education will provide the vehicle to our Nation's long term economic recovery, stability, and a higher

standard of living for all Americans. I believe that the Federal Government can and should encourage and help young people further their educational goals. However, while I support the admirable goals of H.R. 2010, the National Service Program is one more example of unwarranted, irresponsible Federal spending at a time of severe fiscal crisis and growing national debt.

The President has proposed a reduction in campus-based student financial aid and the total elimination of the State Student Incentive Program. The Appropriations Committee has reduced the maximum Pell grant award. At a time when the Federal Government is without adequate resources to support the many proven programs that exist, it seems inappropriate to initiate a costly new program without telling evidence that it is needed.

This program is indiscriminate in choosing recipients, distributing financial aid dollars to students who simply do not need assistance. A more reasonable approach would be to use the same needs analysis for this educational award that is used for other Federal student financial aid programs. Educational awards should be given to those who do need them to help pay for an education.

The idea of national service is not new. The National and Community Service Act of 1990 contains a demonstration program which similarly authorizes the award of a postservice benefit for individuals engaging in part or full-time service. At the very least before committing \$7.4 billion over the next 4 years for a new program, we in Congress should conduct a full review of the demonstration program already receiving Federal support. Furthermore, the Government currently spends at least \$1.2 billion each year on 24 different volunteer programs. No new programs should be initiated without a thorough review of existing Federal volunteer programs.

Now is not the time to create another unneeded, costly Federal program. Instead of putting scarce Federal resources into a new program that is not needed, taxpayer dollars should be put into programs that are in need of adequate funding, such as the Pell Grant Program. I urge my colleagues to vote against H.R. 2010, the National Service Trust Act.

Mr. KYL. Mr. Chairman, the communities of Arizona depend greatly on the good deeds of its many volunteers. From the Arizona clean and beautiful project to the Crime Victim Foundation to St. Mary's and Andre House food bank, thousands of Arizonans, young and old, give their time to the need of others.

Although I fully support the goal of encouraging all citizens to engage in service to their country and community, I strongly oppose H.R. 2010 because it looks more like an expensive public employment program than a bill to encourage community service and volunteerism. Volunteer efforts have always been successfully driven by the nongovernmental charitable sector. In fact, volunteer efforts are flourishing in Arizona and throughout the Nation. In 1991, nearly 100 million Americans aged 18 and over volunteered in some capacity. H.R. 2010 will undermine this spirit of volunteerism and the genuine desire among America's young people to do good for the community.

Under the national service plan, students will receive at least the minimum wage, health

and child care benefits, and \$5,000 per year for up to 2 years for their volunteer efforts. All combined, this plan will equal up to \$20,000 per year in salary for each national service volunteer. These benefits will cost the American taxpayer nearly \$400 million this year and \$7 billion by 1997.

Unlike the Federal Pell Grant Program which distributes education awards based on financial need, the financial needs of the student will not be taken into consideration under the National Service Program; this program, and in effect the taxpayer, could subsidize the college education of millionaires. If one does a little arithmetic, it is easy to see that the \$20,000 the national service plan provides each student could be used instead to fully fund, \$2,400 per student, the Pell grants of eight financially needy students.

All this comes at a time when the Federal Government is scraping bottom to find the resources to fund already established and effective education assistance programs such as the Pell grant. Fully funding the national service plan without having hard data documenting the successes and failures of a national service demonstration plan is wrong and will also negatively impact the funding levels of other education assistance programs.

Proponents of the national service plan say the program will not take money away from other education programs because funding will come from two separate appropriations bills. Regardless of which appropriations bill provides the funding, the fact is in the end it all comes from one account, from other proven education programs, and from the pocketbook of the American taxpayer.

Another troubling aspect of the national service plan is the effect it will have on armed services recruitment. The national service plan will offer a better level of benefits than the armed services plan and will, therefore, draw the best and brightest pool of young people away from military service.

The GI bill provides \$4,800 in education benefits per year for up to 3 years to service members, but each service member must commit to 3 years of service and pay in \$1,200 of his or her own money during the first year of service to qualify for the benefits. These military education benefits can not compare with the national service education benefits. It will not take much effort for a student to figure out which is the better deal and which program in which to participate.

This will compound the recruiting difficulties the military is already experiencing as a result of the widespread misconception that the military is not recruiting as a result of its size being reduced. The Army, for example, for the first time this spring had to accept some volunteers who tested low in mental aptitude to meet its quotas. Military recruiters say that the overall quality of recruits remains high for now, but whether it can remain high will be in question should the national service plan offer education benefits superior to the military's plan.

In contrast to the military where there is great need for qualified personnel, the National Service Program could easily consist of make-work Government jobs that are costly and wasteful. The Peace Corps, National Health Service Corps, VISTA, and more than 60 State and local programs involve only

18,000 individuals. From where are the 150,000 jobs the national service plan promises to create going to come?

These jobs would be created by the Corporation for National Service which would set up a politically appointed board chosen by State Governors to funnel Federal funds to selected private and civic groups. This process, including both the appointment of board members and selection of groups to receive Federal funds, is ripe for political abuse and would turn into a political patronage program.

This legislation is simply a bad idea. Given our Nation's budgetary constraints, the National Service Trust Act is entirely too costly; where else but in Washington, DC, would a volunteer program cost \$7 billion, its purpose is unfocused, it displaces the development of nongovernmental charity with make-work service jobs, it is open to politicization, and in a time when the American public is looking for ways to get away from Big Government the legislation will create a huge, new Government bureaucracy. For these and a myriad of other reasons, I urge my colleagues to vote against H.R. 2010, the National Trust Act.

Mr. SYNAR. Mr. Chairman, I rise today in opposition to H.R. 2010, the National Service Trust Act.

We have a budget deficit. Yet we are investing a large sum of money to create a new bureaucracy for a program that may not work. This act is an experiment that we do not have the money to support. It is expected to cost \$394 million within the first year. If fully implemented, it will cost the taxpayers \$7.4 billion over the next 4 years, \$7.4 billion, on an experiment. Think what we could do with that amount of money if we used it in our existing, proven, education programs.

It will cost about \$30,000 to support a service program participant for 2 years. Pell grants are limited to \$2,400, and they still do not fully serve all those that are eligible, the State Student Incentive Grant program has been cut completely. The participants will in fact receive at a maximum \$10,000 for their education. That does not even begin to address the educational costs at most institutions.

The poor will still need additional help to get through school.

The rich will receive money that they do not need.

The middle class will get stuck no matter what.

Moreover, I worry that despite the protestations of this act's supporters it will, in fact, damage our current education programs. We are working with limited resources. Because of this, try as we might not to cut existing programs, it is certain that we will eventually need to do so. Common sense tells us that the money must come from somewhere.

Furthermore, the program participants will be put to work to try to meet the needs of communities that are not currently being met. That raises two truths. First, those unmet needs they are referring to are jobs. Jobs that people are looking for, jobs that they need. This program gives communities an option. Find a way to support new jobs at their real wage, or join the national service program and for about \$1,000, get an employee. What community will say no to that?

Second, communities are held back in their development efforts by outmoded sewers and

insufficient roads. Investing an amount equal to the cost of the service program into the community's infrastructure and thus enabling that community to better support itself makes more sense than encouraging them to rely on Band-Aid efforts from the Federal Government.

This bill is not the answer to our Nation's ills.

Supporters of this act claim that it will build a sense of community, expand educational opportunity, and reward individual responsibility while encouraging Americans to work together to tackle our common problems. I applaud those aims, but I question whether they can be prescribed in this or any other act.

As the Mississippi River has overflowed its banks, thousands of volunteers have worked to protect their communities, laboring tirelessly to save their and their neighbors' homes. Thousands more have left the comfort and safety of their own homes to aid the river's victims in their efforts, and to offer comfort when those efforts fail.

The values that these people evince of service, caring, and community cannot be legislated.

And it's not just disasters that promote this type of effort. Everywhere I have traveled, I have met thousands of concerned, committed individuals who have made the effort to improve their communities and who often, through sheer force of will, have found a way to provide for their communities needs.

These individuals serve their community without the promise of reward. The most successful communities I have visited have these people in abundance. The least successful are sadly lacking in these souls. And as a result, they are lacking in the will to improve. The communities without, will complain about how bad things are and demand that they be fixed. The communities with, will tell me how things are improving.

This will is something that cannot be legislated. Individuals who desire to serve do so. Communities who desire to improve do so. All the incentives in the world will not change those two basic facts.

As I thought over this proposal, I remembered how my father went to college with 50 cents in his pocket. He worked his way through school. And then he served his country in the war. There was no national service program to reward him. He did not need an inducement to make a contribution.

We are proposing to spend billions to pay people to do something they would do for free. There are so many needs yet to be met in America. This program is a luxury. In good conscience, I cannot support it.

I urge you to vote against H.R. 2010. Defeat the National Service Trust Act.

Mr. MILLER of California. Mr. Chairman, I rise today in strong support of H.R. 2010, the National and Community Service Act.

This landmark legislation will bridge the gap between affordable education and community service, while establishing a sense of citizenship and national pride among its participants.

H.R. 2010 will expand service opportunities for young people, allowing them to contribute to their communities while earning an educational award to be used toward financing college loans or additional education. The

strength of this legislation is rooted in its flexibility to create service programs which will address the variety of needs facing today's society and environment.

Contained in the National Service initiative is authorization for a unique youth corps program geared toward meeting the conservation, construction, rehabilitation, and restoration needs of the Nation's public lands. This program, the Public Lands Corps, will allow National Service participants the opportunity to assist Federal agencies with ongoing efforts to manage our public lands on behalf of present and future generations of Americans.

Federal and Indian lands comprise one-third of the entire land base in the United States. Our national parks, forests, wildlife refuges, historic sites, and Indian reservations are falling prey to overuse, inadequate maintenance, and deteriorating infrastructure. Existing Federal land managing agency staffing levels preclude full-time staff from sufficiently addressing this backlog.

Since the 1980's, Members of Congress have been pursuing efforts to create a year-round Federal conservation corps program which would supplement agency conservation work on Federal and Indian lands. The Public Lands Corps responds to this effort by building on the existing Youth Conservation Corps [YCC] program to extend age limits of corps participants, provide for year-round participation, and establish congruous goals and benefits with the National Service initiative.

The Public Lands Corps will be a year-round program administered by the Secretaries of the Interior and Agriculture. Participants will be able to perform such tasks as firefighting, trail construction, erosion control, improvements of wildlife habitat, reforestation, and environmental cleanup.

The age requirements and living allowances—minimum wage—authorized by the Public Lands Corps are fully compatible with those of the other programs described in the National Service legislation.

This program will be eligible to compete for funding grants from the National Service Commission as well as function independently of National Service. Public Lands Corps participants who satisfy the criteria established by the National Service Trust Act will be qualified to receive the educational awards granted other National Service participants. In this way, corps members will be able to pay off college loans while receiving valuable job training, life skills, and an appreciation of the Nation's rich natural and cultural heritage.

The Public Lands Corps will broaden service opportunities to many young people who may not be participating in the National Service program by authorizing contract or cooperative agreements with existing qualified corps and nonprofit agencies to perform work on public lands. This extends valuable service and interactive opportunities to members of State and local corps. In States where other qualified corps do not exist, the Public Lands Corps will serve as the sole approach for Federal land conservation program.

Finally, this corps responds to the need voiced by representatives from many Federal land managing agencies to develop a program which allows individual placements. The Public Lands Corps authorizes the recruitment and

placement of resource assistants within the agencies who will assist with research or resource protection issues on behalf of the agency.

I applaud the strong commitment to national service demonstrated by the administration, and particularly Secretary Babbitt in his testimony before the Education and Labor Committee. I would also like to recognize the dedication to this initiative Chairman FORD has shown in bringing this important legislation before the House today. I urge my colleagues to join me in supporting this new program of national service.

Mr. PENNY. Mr. Chairman, I rise in support of H.R. 2010, the National Service Trust Act and applaud President Clinton for his leadership on this issue providing for the first time real opportunities of meaningful national service for our young people.

Throughout our country's history, and particularly in this century, generations of young Americans have been called on to serve their country. We have faced two world wars, conflicts in Korea, Vietnam, and Iraq, and have dealt with a worldwide economic depression. And we have prevailed. Thankfully, the threat of world war has been somewhat lessened for the young people of the 1990's. But, the challenges of our society are as great as ever as we struggle to meet the needs of our citizens, young and old; the needs of our communities, large and small; and the needs of the future, economic and educational. How are we to address these needs?

A program of national voluntary service, such as proposed in H.R. 2010, which would allow the energy, vitality, and intelligence of this new generation of Americans to be used to address these needs, is that positive step. It is in keeping with the best of America's character—the helping hand extended to help one's neighbor. A year spent "giving back" to the community will enhance these young people's sense of citizenship and provide a base for developing future community leaders.

I have long advocated the passage of national voluntary service and introduced comprehensive national service legislation in the 101st and 102d Congresses. My legislation attempted to incorporate the best ideas and programs currently available and use existing service structures. In that respect, I am pleased that H.R. 2010, while creating a new national service corporation, does consolidate other voluntary programs such as ACTION under a single aegis.

While I intend to support passage of H.R. 2010, I believe we could do more to retain the true volunteer nature of the program. Therefore, I plan to support Representative MOLINARI's amendment which would expand the number of service slots available by eliminating stipends during service. Under the Molinari amendment, the slots available would triple from 25,000 to 77,800 participants per year. I've been concerned that in establishing a national service program we will disappoint many potential participants with a program that reaches so few. The Molinari amendment would help address that concern.

In the interest of our country and its future, I urge passage of H.R. 2010.

Mr. ABERCROMBIE. Mr. Chairman, I rise today to express my support for H.R. 2010,

the National Service Trust Act. Not only does this bill encourage young Americans to serve their country by awarding them with education grants, it also responds to the significant contribution made by our senior citizens.

I have received many letters from constituents who volunteer their time as foster grandparents, through what is currently known as the Foster Grandparent Program. They gain great pleasure from their work with small children in need of special attention. Volunteers serve as grandparents to disabled children, drug exposed infants and toddlers, immigrants and many other young people. The Foster Grandparent Program helps children gain self-esteem and self-worth, while at the same time giving volunteers the satisfaction of knowing they can be useful to their community at all stages in their lives. If passed, the Foster Grandparent Program and other older American volunteer programs will be authorized by the National Service Trust Act.

America's seniors have a wealth of knowledge and experience that can make a difference in the lives of young children. Current population estimates indicate 37.7 million Americans, are over the age of 60. According to a 1991 U.S. Administration on Aging/Marriott Senior Living Services voluntarism survey, over 41 percent of these seniors performed some form of volunteer work in the past year. An additional 37.5 percent indicate they would volunteer if asked. The resources offered by older persons can help shape America today and into the next century.

National service benefits people of all ages, all income levels and all educational needs. Through the National Service Act, young people all over America will be building houses for the homeless, teaching in inner city schools, immunizing children and performing other community services in return for education loans. In this time of fiscal constraints, service programs can meet many goals. Volunteers gain a feeling of civic responsibility and usefulness. Citizens in need are able to receive scarce social resources. In addition, exposure to different lifestyles and cultures can be a learning experience for both service providers and recipients.

National service is a valuable American tradition. Let's show our support and commitment by passing the National Service Trust Act.

Mr. FORD of Michigan. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. HEFNER] having assumed the chair, Mr. FIELDS of Louisiana, 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. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, in anticipation that we will return to this bill soon, 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 H.R. 2010, the National Service Trust Act of 1993, and all amendments thereto.

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

There was no objection.

PERSONAL EXPLANATION

Mr. PACKARD. Mr. Speaker, had I been present for the following rollcall votes, I would have voted yes on rollcall votes numbered 349, 350, 351, and 352.

I would have voted no on rollcall votes numbered 347 and 348.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. HOYER. Mr. Speaker, I offer a privileged resolution (H. Res. 219) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 219

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Government Operations: Gene Green, Texas and Bart Stupak, Michigan.

Committee on Armed Services: Sam Farr, California.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ALLOCATION OF SPECIAL ORDER TIME

Mr. ROMERO-BARCELÓ. Mr. Speaker, I ask unanimous consent that the special order for the gentleman from Illinois [Mr. LIPINSKI] on July 21, 1993, be allocated to the gentleman from Oregon [Mr. KOPETSKI].

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

There was no objection.

□ 1030

CLINTON ECONOMIC PLAN WILL DESTROY JOBS

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

Mr. RAMSTAD. Mr. Speaker, a Stanford University economist recently wrote this commentary entitled, "Clinton's Economic Plan Built on Brazen Lies."

This analysis of the President's economic plan states, "If you strip away the misrepresentations and look at what Clinton's economic program does, from 1993 through 1996 there are no net cuts in Federal spending. None. Zero. Zip. Zilch. Federal spending continues on its merry upward path, increasing an average of \$65 billion every single year."

This economic analysis goes on to say, "The entire thrust of the Clinton deficit reduction program for the next 4 years is to increase taxes."

This article, which I am submitting for the record, shows how taxes will increase \$420 billion a year by 1996 under the President's plan.

The commentary concludes by saying "Unless some courageous Democratic Members of Congress join with Republicans to defeat this job destroying program, America is in for a tough time."

I strongly urge all Members to read this article, written for Scripps Howard News Service, before casting the most critical vote of this Congress.

Mr. Speaker, the text of the article is as follows:

[From the Star Tribune, July 5, 1993]

CLINTON'S ECONOMIC PLAN WAS BUILT ON BRAZEN LIES

(By Martin Anderson)

PALO ALTO, CALIF.—It's getting close to decision time on President Clinton's economic program. It's the last chance for the American people to take a close look at exactly what is being proposed in terms of spending and tax changes for the next 3½ years.

The New York Times recently reported that in Clinton's economic plan, "no spending would be lowered in this fiscal year" and that "more than three-fifths of the spending cuts . . . would be made in the fiscal years 1997 and 1998, after the end of this presidential term."

Wait a minute. No spending cuts this year? Over 60 percent of the promised spending cuts to take place in Clinton's second term? What kind of nonsense is this? What about all the statements Clinton and his aides are making about matching tax increases with spending cuts?

The answer is troubling. Clinton and his top aides have misrepresented this economic package so much that there is now little relationship between what was promised and what is about to happen.

The nature of the deception is four-fold:

False labeling: The Clinton administration has blatantly mislabeled its proposed budget actions. For example, a substantial tax increase on Social Security benefits for the more well-to-do is called a "spending cut," and a whopping increase in welfare spending for the working poor under the Earned Income Tax Credit is called a "tax cut."

This brazen lying has gone largely undetected. If the spending and tax changes were truthfully labeled the plan would look drastically different.

Omissions: The administration has avoided mention of new spending programs. True, it's planning some cuts, mostly in defense, but these cuts are largely offset by increases elsewhere. The bottom line in any budget is the net change and, when you combine the new spending increases with the proposed cuts, the net spending cuts vanish.

Slick forecasting: Most of the serious spending and tax changes in Clinton's plan

are forecast to occur in 1997 and 1998. Ask yourself, how much confidence do you have in any government official's promise to cut federal spending four or five years from now?

Look at it another way: Clinton promises (once again) to cut spending after we reelect him in 1996. Does he really think we are that stupid? Apparently so.

"Base-line" budgeting: All the proposed budget changes are on top of already-scheduled, large increases in both spending and taxes. One of the best-kept secrets in America is that by 1996, without changing a single law, both federal taxes and federal spending will be \$260 billion a year higher than they are today.

If you strip away the misrepresentations and deceit and look at what Clinton's economic program does, year by year, here is what emerges:

From 1993 through 1996 there are no net cuts in federal spending. None. Zero. Zip. Zilch. Federal spending continues its merry upward path, increasing an average of \$65 billion every single year.

The entire thrust of the Clinton "deficit reduction program for the next four years is to increase taxes. Under his program our net taxes will increase another \$160 billion a year by 1996. When one adds that to the \$260 billion tax increase already in the pipeline, it means that we will be paying \$240 billion a year more in taxes before Clinton serves out his four years.

This is madness. But it is real and, unless some courageous Democratic congressmen and senators join with Republicans to defeat this job-destroying program, America is in for a tough time.

Perhaps the fear of Clinton's program is what has already spooked the economy. During the past few months the American dollar has fallen to new lows against the Japanese yen and, after four straight quarters of moderate-but-positive economic growth, the gross domestic product numbers took a nose dive for the first-quarter of 1993.

Clinton administration economists are already planning to reduce their 1993 economic-growth forecast from 3.1 percent to 2.5 percent. But if their deadly economic plan—big tax increases, no net spending cuts in the next four years—passes, we can forget about even slow economic growth, and begin to brace ourselves for the recession.

□ 1040

CLINTON TAX INCREASE HURTS REAL PEOPLE

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

Mr. WELDON. Mr. Speaker, if small business is in favor of the Clinton tax plan, where are they? Where are the letters? Where are the small business groups, the NFIB and the Chamber and other groups, asking us to support this package?

Mr. Speaker, another business leader has spoken. In my ongoing effort to highlight the negative effects of the Clinton tax plan on real jobs for real people, I offer today a letter I recently received from William Kronenberg, president of Environmental Compliance Services. ECS is a small company headquartered in Exton, PA, just outside my congressional district.

Mr. Kronenberg discusses the impact on his company of the two major Clinton initiatives—the tax plan and the health care plan, and the impact that will have on small companies that have generous benefit plans for their employees. In the case of ECS, all benefits (including health insurance, prescription drugs, retirement benefits, disability insurance, and life insurance) are completely paid for by the company. But not for long, if Bill Clinton succeeds in bleeding our business community dry with new taxes.

Mr. Kronenberg writes: "The uncertainty regarding the Clinton program may force us to revise our entire benefit program. There is a strong likelihood that * * * increased corporate costs will diminish coverage and increase costs to our employees."

My colleagues, remember these words when you vote on the Clinton plan. When you hit our businesses with increased taxes, you drive up the costs of doing business, and you hurt real people.

For the RECORD, I include the letter from Mr. Kronenberg.

Hon. CURT WELDON,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN WELDON: I am of the firm belief that the country is long overdue for economic reform. However, as a small business owner in Chester County, I am most concerned about many aspects of the proposed Clinton reform package. I will address just two—the tax bill and health care.

By way of introduction, Environmental Compliance Services, Inc. (ECS) is a unique corporation dedicated to the environment through insurance, consulting and claims management. Our corporate subsidiaries include ECS Underwriting, Inc., Consulting Services Inc. (CSI) and Environmental Claims Administrators, Inc. (ECA).

We were incorporated in 1979 and have seen steady growth in our business, growing from 13 employees in 1979 to over 218 employees today. The majority of our employees reside in Chester County.

We have seen a significant increase in state taxes within the past year. Our neighboring state of New Jersey, recently passed the largest tax increase in history. Unfortunately, both increases have fallen well short of the intent to stimulate economic growth. In Pennsylvania, we have recently experienced a significant reduction in economic growth. Our neighboring residents have been even less fortunate, losing close to 400,000 jobs and experiencing the second highest unemployment rate in the country. The simple fact is economic growth is not stimulated by higher taxes. We need a more effective way of reducing spending, not a continued tax burden placed on the public.

In the best interests of the people of Chester County and the country, I would ask that you vote NO on the Clinton tax bill.

In regard to health care, our company has been an overall leader in compensation packages. We provide an array of benefits to all our employees including: Health Insurance; Retirement Benefits; Prescription Plan; Employee Assistance Plan; Disability Insurance—Short and Long Term; and Life Insurance.

All benefits are company paid. However, the uncertainties regarding the total Clinton Economic Program may force

us to revise our entire benefit program. There is a strong likelihood that any policy change resulting in increased corporate costs, will diminish coverages and/or increase costs to our employees. This is the most critical issue to our employees!

While health care should be a benefit for all Americans, the Administration's proposals will result in increased burdens on our company and consequently, our employees. In the best interests of the people of Chester County and our country, please carefully review the entire health care package.

Thank you.

Sincerely yours,

WILLIAM KRONENBERG III,
President and CEO.

HOUSE POST OFFICE SCANDAL

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

NOMINATION OF DR. JOYCELYN ELDERS FOR SECRETARY OF HEALTH AND HUMAN SERVICES

Mr. BURTON of Indiana. Mr. Speaker, we have a number of Members that want to speak tonight on the problems we have with the House Post Office. But before we get into that, I thought it would be very enlightening for my colleagues and for anybody else who is paying attention to find out what the nominee for Secretary of Health and Human Services has to say about a lot of issues. I hope everybody in America has an opportunity, Mr. Speaker, to find out her views on a number of these issues.

Here are some of her quotations, and I hope my colleagues pay particular attention to these quotations, because I think they are out of sync with what the American people feel about major issues facing their kids and this country.

The first quotation she uttered was this: "I don't know of any parent who wouldn't go out at midnight and try to find contraceptives to start their children properly." Well, I know one parent that would not go along with that statement.

Second, "We've taught them (teenagers) what to do in the front seat of a car, but not what to do in the back seat of the car." That does not sound like the kind of thing we would want coming out of the mouth of the Secretary of Health and Human Services.

Third, "An integral part of a comprehensive school-based health clinic today is that we have sexuality education beginning in kindergarten." I think there are a lot of parents that would take issue with that.

Fourth, and here is one that is very divisive in America, but I think a lot of Americans would disagree with this statement: "Abortion has had an important, and positive, public health benefit."

Fifth, "Abortion was the single most important factor in the significant decrease in neonatal mortality between 1964 and 1977." That is probably true

because there were a lot of fetuses terminated.

Sixth, "We would like for the right-to-life and anti-Choice groups to really get over their love affair with the fetus and start supporting the children."

Seventh, "Look who's fighting the pro-Choice movement: a celibate, male-dominated church." Well, I want Members to know that there are a lot of women in a lot of these churches that are concerned about these issues as well, not just celibate male-dominated churches.

Eighth, "I would hope that we would provide them (prostitutes) Norplant so they could still use sex if they must buy their drugs." Good Lord.

Ninth, "If Medicaid does not pay for abortions, does not pay for family planning, but pays for prenatal care and delivery, that's saying: I'll pay for you to have another good, healthy slave."

Tenth, "Poverty and ignorance and the Bible-belt mentality are responsible for the rise in teen pregnancy in Arkansas."

Well, I think a lot of those statements are just ridiculous, am I am very sorry that this lady has been nominated for this position. I hope my colleagues on the other side of the Chamber and in the other body will take a look at that.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is reminded that Members of the House are not to urge the Members of the other body to speak or speak with respect to their actions.

Mr. BURTON of Indiana. All right, Mr. Speaker. I hope my colleagues will use their influence to convince those making decisions to take a hard look at this lady. She used this philosophy as the Secretary of Health and Human Services in Arkansas, and her success was not all that great, because it went from No. 4 in the Nation as far as teenage pregnancies are concerned to No. 2. So her philosophy was not all that effective.

Mr. Speaker, I would like to add for the RECORD a number of documentations for these statements that I just made.

[The documentations referred to follow:]

SOURCES

1. Arkansas Gazette, 3 July 1988.
2. Video presentation to National Commission on Children, 2 April 1993.
3. Arkansas Gazette, 3 July 1988.
4. Testimony before Senate: Labor and Human Resources Committee, 23 May 1990.
5. Idem.
6. Arkansas Gazette, 19 January 1992.
7. Statement to abortion rights rally, January 1992.
8. "Talk Live," CNBC television program, 19 June 1993.
9. Washington Post, 16 February 1993.
10. National Review, 25 April 1993.

There are other questions about Joycelyn Elders that need to be reviewed before any confirmation takes place.

For instance, first, why did Elders not pay Social Security taxes on the \$12,000 a year paid to a nurse for her mother-in-law who has Alzheimer's disease?

Second, did she get a six-figure unsecured line of credit from a bank of which she was a director? That needs to be looked into.

Third, did the bank of which she was a director transfer money to an Illinois savings and loan which later failed so that a friend with a bad credit rating could get a loan? That should be looked into.

Fourth, was she reprimanded by the Comptroller of the Currency, and if she was, why?

Fifth, what are the terms of the settlement of the civil suit between the new board of directors and the ousted board of which Elders was a member? We are talking about that savings and loan now.

Sixth, what Federal and State laws were broken when Elders was being paid as a consultant to the Federal Government, plus per diem, while still on the State payroll? That is double dipping. That is something that ought to be looked into.

Seventh, how was Elders able to receive an annual salary in excess of the salary cap imposed by statute on employees of the State of Arkansas? That needs to be asked.

There may be a lot of satisfactory answers to these questions, Mr. Speaker. But I submit for the RECORD that they ought to be answered, and I urge my friends and colleagues to take a close look at this, and I urge my colleagues in this body to talk to their friends.

With that, let me just say that one of the big issues that America is looking at today that has been in the works for about a year now is what is called the post office scandal. That was about a year ago July that this issue was raised whether or not some Members of this body received money in exchange for stamps and used that money for purposes not clear or authorized by the Congress of the United States. In other words, these stamps were supposed to be used, and they were converted to money, and there was a question about whether or not there were some illegal problems.

This was brought up. The investigation was stopped. The Speaker of the House put this on the back burner, as we understand it, and it was literally swept under the rug.

Now here we are a year later, and we are finding out that one of the key people in this issue and in this case has been indicted and has named two Members of this body, a Congressman A and a Congressman B, as two people who were involved in taking these stamps and money illegally.

This matter should be cleared up for everybody in this country. I think the

American people hold Congress in very low esteem right now, and if we are going to make sure that Congress is respected, as it should be by the people of this country, then this issue should be brought out into the open. There should not be anything swept under the rug, and it should be done as quickly and as expeditiously as possible.

Tonight, toward that end, a number of my colleagues have joined with me in a special order to try to eliminate this issue and force those in power here in the House of Representatives to bring this issue to the floor so that it can be debated, cleared up, and the American people can know for sure what went on.

Mr. Speaker, with that, I yield to my very distinguished colleague, the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I thank the gentleman for giving us this opportunity to discuss this very important issue during this special order.

I knew things were bad in the House of Representatives before I ever got here in 1991. But I had no idea that the type of things that occurred in the House Bank was actually going on, and I certainly had no idea that the types of things alleged and now some of them are proven in the House post office occurred. I mean, the depth of corruption is far greater than I ever realized.

□ 1800

The leadership that leads this institution has been part of the same party that has governed it now for over 40 years.

Today in the Washington Times, the Postmaster, former Postmaster, Mr. Rota, who resigned and has now pled guilty to several criminal counts—aiding and abetting, embezzlement and conspiracy to commit embezzlement amongst them—indicated this abuse of Government moneys has gone on for over 20 years. You know, you read in the reports that did come out in the special task force last year about this time, and you learn about employees, the patronage employees, that were inserted into the House post office, the people who were illiterate, the good people working there watched as these other people were brought in and promoted, you know, to do jobs over them.

So much for fairness, so much for justice, so much for compassion for people. The Members of the other party always are so vocal about proclaiming that here, and now to hear what has gone on, Congressman "A" and Congressman "B", you know, while these people, the Members of the majority party, are at this moment busily planning to force down our throats the biggest tax increase in history, some of these very same people stole from the Government and did not even pay taxes on it. So it was like an extra amount they got. It is outrageous.

The standard response of the House leadership is to drag its feet, to not want to go into it, to say, "All is well, we have taken care of it."

I wrote, along with several others last March, asking for a criminal investigation into this, and fortunately one has commenced. I just think this brings a tremendous disrepute upon the House of Representatives. It is time to clear the air.

I would like to know what has gone on. I am very concerned about the allegations concerning Mrs. Foley, the allegations concerning the man who was the General Counsel, Mr. Ross, of the House of Representatives. We need full disclosure. We do not want any sanitized reports. We want the raw, unedited versions.

It is my understanding, for example, it is reported in the Washington Times on February 7, 1992, that Rota has told friends and House officials that Mrs. Foley ordered him to hush up an investigation of the post office, according to a Federal law enforcement congressional official.

I would like to know what is contained in the deposition from Mrs. Foley, and I would like to know what is contained in other depositions, as reported on June 19, 1991, or this is the event that occurred, but it was reported in the Washington Times on February 20, 1992, that then Capitol Hill Police Chief Kerrigan secretly tape-recorded meetings with Steven Ross, the House general counsel, to prove that he had independent corroboration that he, meaning Kerrigan, had been told not to pursue the inquiry into the post office scandal.

It just should be noted for the record that in July 1991 Chief Kerrigan resigned, and he noted the reason for his resignation as being the pressure to get the Capitol Police off the post office investigation.

We need some answers to this. This is not just Congressman "A" or Congressman "B." This is higher up. We need some answers and some clarifications, I think, that can only be brought out by the full disclosure of these records, all of which have been sitting in the hands of the Justice Department for over a year, as I understand it.

Mr. BURTON of Indiana. Mr. Speaker, I will be happy to yield to my colleague in just one moment.

We had the check scandal, and I remember when the check scandal came out, we tried to sweep that under the rug, the majority in the House of Representatives, and months went by, and the media started digging, and before you knew it, it all came out, and the same thing is going to happen with this post office scandal. It is going to come out, and every day that goes by that the leadership in this House continues to drag its feet and try to sweep this under the rug makes it that much worse.

And the media is going to continue to dig and dig and dig and dig, and so I would just like to say to my colleagues, let us make a clean breast of it. Let us bring it to the floor for a discussion. Let us get all the records out so that we and the American people that we represent know what went on.

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

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Let me stipulate, and I appreciate the gentleman yielding, let me stipulate that I know virtually nothing about the situation at hand.

But I also think that we ought to be extremely cautious before we throw people's names around on the floor, especially Members who do not have the ability, or persons who do not have the ability to defend themselves on the floor because they do not have access to the debate on the floor.

But it seems to me that, in light of the fact that the U.S. attorney handling the case has sent a letter to the bipartisan leadership of both Houses objecting to any possible release of any material because it might prejudice their prosecution, it seems to me, in light of that statement, that Members ought to be a mite cautious before they attack persons who serve on staffs around here or persons who are the spouses of Members but who do not have the opportunity to defend themselves because they do not have access to the floor.

I would point out that the attorney who wrote this, my understanding is, and I have a copy of the letter to Mr. FOLEY and Mr. MICHEL from the U.S. Department of Justice from J. Ramsey Johnson, U.S. attorney. My understanding is that that is the attorney who was left in charge after Mr. Stephens left the case that you are talking about. My understanding is that he is a career holdover, not a political appointee, and it seems to me that the House, before we allow character assassination on this floor, the House has an obligation to the truth and an obligation to due process of law to heed what the U.S. attorney says.

Now, I do not know whether the House ought to follow the U.S. attorney's suggestions or not, but I think that before we decide that we ought to depart from it, we have an obligation to listen to what that U.S. attorney has to say.

I do not think we want to be guilty of obstructing justice by disregarding what the attorney says just as we did in the Iran/Contra case and fouled up the entire investigation.

Mr. BURTON of Indiana. Reclaiming my time, Mr. Speaker, I just wanted to say to the gentleman that the Members of this body would not be nearly as concerned had this not been swept under the rug 1 year ago, and time goes

on and on. It is the same, and it is very analogous to the check scandal which they tried to sweep under the rug, and we go back to our districts, and we listen to our constituents. They say, "What in the world is going on? Is there anybody up there that is honest?"

And so I think we have an obligation. Mr. OBEY.

Mr. BURTON of Indiana. I did not yield; I did not yield. I do not yield.

The SPEAKER pro tempore (Mr. FINGERHUT). The gentleman from Indiana [Mr. BURTON] has the floor.

Mr. BURTON of Indiana. Nobody that I have heard tonight has assassinated anybody's character. They said there were some alleged things that went on, and they have been alleged for over a year now. All I say to my colleagues is: Let us make a clean breast of it. Let us bring the facts before the House and not impede justice. Help the district attorney or the U.S. district attorney that is involved in this case get all the facts he can so he can expedite this case as quickly as possible.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. I would like a clarification. Was the gentleman, when he referred to the letter from the Justice Department, was that coming from the U.S. attorney that was recently fired by the administration or from the acting U.S. attorney or from just someone else?

Mr. BURTON of Indiana. It was from the new attorney.

Mr. OBEY. No; No.

Mr. BURTON of Indiana. It was from the old one that was fired?

Mr. OBEY. No; no. He was from the holdover who was Mr. Stephens' assistant, as I understand it.

Mr. BURTON of Indiana. Mr. Stephens was removed.

Mr. OBEY. That is correct.

Mr. BURTON of Indiana. Why was Mr. Stephens removed?

Mr. OBEY. It is from the gentleman in charge. He is not new. He has been on the case from the beginning, as I understand it.

Mr. BURTON of Indiana. Why was Mr. Stephens removed?

Mr. OBEY. As the gentleman knows, all U.S. attorneys were removed and replaced as is routinely the case whenever any President comes into office.

Mr. BURTON of Indiana. Many of us feel that was very convenient.

Mr. OBEY. That is an innuendo which is not suitable to the proper conduct of this House.

Mr. DOOLITTLE. If the gentleman will yield, there is a specific point I want to respond to.

The firing of those U.S. attorneys was not routine. It had never been done before in such a fashion. And to stand

here on the floor and to represent that was routine is a misstatement. It was completely out of the ordinary.

Mr. OBEY.

Mr. CUNNINGHAM. Mr. Speaker, I ask for regular order or to have the gentleman removed.

Mr. BURTON of Indiana. This gentleman keeps interfering. I yielded to him once. I have control of the time, as I understand it.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. BURTON] has control of the time.

Mr. BURTON of Indiana. I am happy to yield to my colleague, the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. I thank the gentleman for yielding.

Our freshman class, when we first came aboard in 1991, looked into the bank scandal and brought it forward, and we were put off time after time. The Speaker told us that there was nothing to warrant an investigation, there was no wrongdoing, that there was no need for disclosure, and this went on and on and on. The frustration of trying to bring this out is *deja vu* with the post office deal.

Again, the freshman class, along with the Gang of Seven, pressed the issue on the post office, an investigation.

□ 1810

And in that investigation, the reason that it was alleged, and I will say that a Member, Member A, and Member B, had taken campaign dollars, converted them into stamps. Now, if they were going to use those stamps to mail out letters to their constituents, that would be normal. But the allegation is those Members were taking and cashing back in those stamps in and taking those dollars and putting it in their pocket.

That is illegal.

Based on that, we have called for an investigation. This is going on for a year and a half.

We have again, just like the bank scandal, we have been told that there is no merit, no need for an investigation, and I think the important factor tonight, not looking at any individuals, but there is a joint committee formed, and the freshman class is part of it. The new freshmen class is bringing forth a lot of initiatives, just like our freshman class did.

I think it is important that all Members on both sides of the aisle take a look, that in the administration of this Congress, that we take a look at such things as the administration of a bank which is gone now, the post office, because we all suffer when there is an irregularity even though we have not had any say. The number of committees, there is a Sunshine Act that allows openness in the committees so that everyone can participate and see. And also that Members of Congress fall

under the same laws that anyone in the general public does. And it has been argued that that is the case, but it is not the case and we all know that.

I would ask Members from both sides of the aisle to take a look at the importance of this post office scandal and the fact that we really do need reform. As our own President has said, we need change.

The other side of the aisle has resisted any change that gives up power. But in this case the balance of power needs to be adjusted so that this House is covered and the responsibility of the administration is also covered. We need to run Congress more like business. And to do that, on your board you need Members from both the majority and minority to come up with working solutions.

If we were in business, we would sit down, regardless of what our differences are, on how to press forward, and to do our business better. That is what the American people are asking these Members to do, on both sides of the aisle.

I laud my fellow freshmen and sophomores for taking this under tow.

I would just ask that the upcoming initiatives of the joint committee that both houses, Senate and House, take a serious look at it and make real campaign and reform changes.

Mr. BURTON of Indiana. I thank the gentleman for his contribution, and I yield to my good friend, the gentleman from the Fourth District of Georgia.

Mr. LINDER. I would like to respond to the gentleman from Wisconsin [Mr. OBEY] who has taken leave of the floor. I would like to respond about the letter from the attorney. We have seen the letter. They are saying any release of this information may jeopardize some criminal investigation.

Well, we received that letter, although I was not here then, in September of last year, when the Ethics Committee sought this same information to pursue their investigation. The attorney at the time said any release of this information would bother and interrupt an investigation and possible conviction.

It is getting to the point where you wonder if a year is enough time to do it. The attorney who was fired said he was about ready to indict at the time he was fired. There are some important people involved. If this is called obstructing justice, telling the people what is going on in the people's House, I would be willing to sacrifice a conviction to get the truth out. The important thing is we have had it for a year, and if they cannot do it in a year, they cannot do it.

Point No. 2, the Speaker of the House has related to the minority leadership that he would be willing to release this information in 10 legislative days and to introduce a privileged resolution doing this in 10 legislative days unless

the Attorney General, Ms. Reno, determines, herself, that such release would be damaging to an investigation. In other words, he is saying that as soon as we get through the August recess and as soon as we get the reconciliation bill out of the way, he would be able and willing to release this damaging information.

That is the part of this issue that bothers me. There are some people, we do not know who A and B are—I know what the newspapers speculate, and I promise you I am not A and I am not B. But my constituents do not know that. I would like that information to be released so they would know who A and B are. So, if A and B are playing—or maybe C, D, and E, because we do not know how broad this is. They kept a lid on it. But if this information released and we discovered important figures have played a prominent role in influencing the largest tax increase in American history, the American people ought to know that. This information ought to be public.

We can only help people, we could only help all of Americans to understand and all Members to be free of suspicion if we release the facts and let the American people judge for themselves.

This is not a new story. As the gentleman from California [Mr. DOOLITTLE] said, rumors are it has been going on for 20 years. The rumors are now that it is much broader and much deeper, and we are not talking about \$15,000 or \$20,000 or \$30,000, but vast sums of money.

The point must be made that it is in the public's interest to determine who is making important policy in this historic time of the largest tax increase in history and under what kind of cloud might they be operating.

All we are asking is that this body vote to release the information.

That vote will be held tomorrow. There will be a privileged resolution put forward tomorrow. The vote will be held. We will find out if it is a straight party-line vote to obstruct, to hide, to confuse again, or if indeed we are going to get the truth.

Mr. BURTON of Indiana. I would be happy to yield to my other colleagues in just a second, but I want to read a couple of quotes that I think are extremely important. I thank the gentleman from California for giving me this information.

Now, this was July 22, 1992. Representative ROSE, democrat of North Carolina, chairman of the Committee on House Administration, in charge of this investigation: "There is no credible evidence to back up allegations of wrongdoing against any individual." Here we are a year later and we have one of the leading people in this case has been indicted and confessed.

Second, "Recent press reports based entirely on rumor, innuendo, and anon-

ymous sources are totally wrong and without foundation." That was another Member, a leading Member of this body.

Third, "I have the fullest confidence and faith in the committee that has been given this responsibility in the House, the Committee on House Administration, to find out the truth of falsity of the charges, to get to the bottom of them." This is February 5, 1992. They did not get to the bottom of them. Now someone has been indicted and confessed.

Fourth, "If at the end of this process the gentleman from North Carolina, Mr. ROSE, my chairman, has not done his job, then you can come back here any tell us and show us where we failed." Well, we are doing that tonight.

Now, that was in February 1992.

Fifth, "As a matter of fact, the majority conclusion is that there was not credible evidence that any Member of the House of Representatives violated any rule of the House or any laws of the United States."

Well, that has been stated otherwise by an indicted coconspirator who has confessed.

And finally, this is from a Republican on the committee: "This report is in no way complete as to what happened in the House post office. It is our best effort under very difficult circumstances. The investigation should continue." That was said on July 22, 1992. And they swept it under the rug and cut it off.

That is why tonight we are urging our colleagues to do the right thing and get this thing out for everybody to see so that all of our colleagues know the facts.

Mr. Speaker, I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Speaker, I point out that a year ago today the report from the task force was released. When we saw that report, the majority report was about this thick; the minority report was about yay thick. The fact is the report basically said, from the majority standpoint, "We have done nothing wrong, and we won't do it again." That is basically what they said.

Now, 1 year later, after eight people have pled guilty to various charges, from embezzlement to conspiracy to selling cocaine in the House post office, we know that there were serious problems there. For the chairman of the House Administration Committee to make the statements that he did a year ago that we found nothing wrong, we found no illegal behavior or improper behavior, is something that I find somewhat enterprising.

□ 1820

But today a number of us sent a letter to the Speaker of the House demanding that that information that was developed during that task force be

released. We want all the documents, the testimony and the working papers to be released so the American people can see for themselves and judge for themselves the conduct of the Members of Congress, members of the staff, and the way in which this operation in the House post office was operated.

Now, in my opinion, I do not think the House can endure another episode like the House bank. It is the congressional version of the Chinese water torture—drip, drip, drip, a little information, a little more information, more pressure, a little more information, an issue that could have been dealt with in a matter of a week or 2 weeks was dragged out over 9 months because the Democrat leadership in this House was not willing to lay all the cards on the table. They were not willing to lay in front of the American people the truth, the whole truth.

If we do not deal forthrightly with this problem in the post office, we are going to have the same thing.

The problem in the post office started in April 1991, almost 2½ years ago, when the Democrat leadership in this institution found out that there were serious problems in the post office.

We were not informed of it until almost the end of January 1992, when the story broke in the Washington Times. At that time we asked for the information to be laid out before us.

Now, although there is a criminal investigation that is going on, and rightfully should, we as Members of this institution have a responsibility to ourselves, to this institution, and to the American people to also know what happened, to do our own investigation.

There is going to be a lot of activity that took place that may not constitute criminal behavior, activity that prosecutors may not be able to build a hard, fast, criminal case, that Members of this institution ought to be investigating, that we ought to be pursuing in order to save and rebuild the integrity and the reputation of this Congress.

For 40 years we have had one-party control and of the last 2½ years that I have been here, I think there has been everything under the book, Congress basher, trying to cause a rebellion, and the fact is all I am trying to do is bring the truth before the American people.

It is not just me. It is the leadership of this Congress that has allowed this type of activity to go on all this time.

Since 1978, when the Justice Department was first brought in to look at problems in the House post office, and they were covered up, they were lied to and the investigation never happened, we have known there is a problem there.

The leadership of this Congress has allowed this to happen and allowed the reputation of us in this institution to be impugned.

I, as one Member of this institution, do not appreciate it, nor do I believe

that I am going to stand around here and willy-nilly wait until they get ready to lay all the facts out to the American people.

It is up to us as Members of this institution to be forthright with the people who sent us here, and the sooner we do that, the better off we are going to be.

It is a crime that those who are responsible for allowing this to happen to this institution are not being held accountable for what they have done or what they have failed to do.

Mr. BURTON of Indiana. Mr. Speaker, my colleague, the gentleman from Pennsylvania, does not have much time. Let me yield to him briefly, and then I would like to get all my colleagues who are down here involved.

Mr. Speaker, I am happy to yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me.

I just wanted to put this into some kind of historical perspective, because I was the one who carried the resolution on the floor a year ago basically today, suggesting that the House did have an obligation to come forward with all the material related to the investigation.

As was mentioned, when the investigation was finished at the House post office last year it became clear that what we were getting was a sanitized version of that investigation, that certain information that was available to the committee was not made available to the House. So therefore at that time we asked that the whole of the information be presented.

The reason now becomes clear for presenting us with all the information. With the recent conviction of a former officer of the House, we now understand that there was a widespread problem in the House post office. It may involve, as the recent documentation indicates, several Members of Congress.

What we do know is that this is something that has gone on for 20 years. Again, according to the House Postmaster who is now convicted, it is something of which there was an investigation some 15 years ago in which people perjured themselves in order not to have that investigation go forward.

We now know that in the House investigation that did take place last year, that perjury took place in the course of that investigation as well.

There has been a long-term effort to cover up House post office problems.

Now we have the obligation, it seems to me, to move beyond the coverup. We now know that there is institutional corruption in the House. What we cannot permit to go on is the coverup.

Now, there are going to be all kinds of gimmicks used to try to continue the coverup, and we are going to end up with a wide variety of explanations as

to why the House cannot release to the public that which the House already has in its possession.

We do have now the understanding that when the House voted 1 year ago this month not to move ahead with disclosure, they were in fact voting for coverup at that point.

Now, 223 Members on July 23 voted to cover up this matter last year, and we now know why. They knew at that point that they had a serious problem. They knew that this serious problem goes to the very heart of the institution, because it goes to the question of officers of the House who they voted for, and it goes to many of the questions that have always been on the back burner with regard to the House post office, of who knew what, when did they know it, and why was there an effort to keep the Capitol Police from investigating thoroughly, to keep the investigation contained within the House Administration Committee, not to have any kind of public testimony.

Remember when Republicans first asked for this investigation to take place, we wanted to have public testimony. We wanted to run this just like other investigations that are held on the Hill, where people were called in, were sworn in public testimony, and where there were actual hearings held. That we were denied. All of it went behind closed doors, and then the final report, the sanitized final report, that is what the American people have gotten up until now.

We are now having it suggested to us that that was good enough, that we can do no more and that somehow we are better off not knowing how the corruption in the House had taken place.

Let me say, the gentleman wants to refer to the letter from the U.S. attorney. I have the letter as well. I think there is a question about this letter.

No. 1, there is a question of whether or not this letter came as a result of a call from the Attorney General to the Speaker, whether or not this letter—

Mr. OBEY. Mr. Speaker, has the gentleman asked the U.S. attorney?

Mr. BURTON of Indiana. Mr. Speaker, I have the time. I am not yielding to the gentleman.

Mr. WALKER. I think there are questions about whether or not this letter is an attempt to prevent an investigation.

Mr. OBEY.

The SPEAKER pro tempore (Mr. FINGERHUT). The gentleman from Indiana has the time.

Mr. WALKER. The gentleman knows the rules of the House.

Mr. OBEY. Yes, I do.

Mr. WALKER. If the gentleman from Indiana will yield to the gentleman, the gentleman is not obeying the rules of the House.

Mr. OBEY.

The SPEAKER pro tempore. The gentleman from Indiana controls the time

and has yielded to the gentleman from Pennsylvania.

Mr. BURTON of Indiana. Mr. Speaker, may I make an inquiry? We have been interrupted several times. This is taking away from our time. I hope that the Chair will be fair in allocating the time, because we have had to endure this now for about the last 10 minutes.

The SPEAKER pro tempore. The Chair will endeavor to be fair.

Mr. BURTON of Indiana. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me.

So what we know is that we have a Democratic administration which is evidently attempting to cooperate with the Democrats in the House to attempt to see to it that Members do not receive this information.

Mr. OBEY.

The SPEAKER pro tempore. The gentleman from Indiana has yielded to the gentleman from Pennsylvania, who controls the floor.

□ 1830

Mr. WALKER. The gentleman from Wisconsin [Mr. OBEY] of course does not want to listen to the points being made here because the gentleman from Wisconsin was one of those who voted last year to table the resolution attempting to make—

Mr. OBEY.

The SPEAKER pro tempore (Mr. FINGERHUT). The gentleman from Wisconsin [Mr. OBEY] has not been yielded time, has not been recognized.

Mr. WALKER. I make the point again that the gentleman from Wisconsin was one who tabled the resolution that was aiming to bring this matter to the public and voted in favor of the sanitized version that came out of the Committee on House Administration.

That is exactly what the American people cannot afford to have happen here. We are tired of the coverup. The American people are tired of the coverup, and that is what we have had consistently. They attempted to cover up the House bank scandal. Only through resolution were we able to bring the bank scandal to the floor. They attempted to cover up the House post office scandal, and now we are attempting to bring that to the floor, and these gentlemen are going to use every trick in the book, including disobeying the rules of the House, to try to keep that from happening.

They do not want this process to move forward here because they know they have got a problem. They have run this House for 40 years, and the House is now being showed for the corruption that it has at its base level, and we need to have now a real public disclosure of what is happening.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. WALKER] for his comments.

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

Mr. WALKER. Mr. Speaker, this gentleman from Pennsylvania does not control the time. The gentleman from Wisconsin knows that.

Mr. BURTON of Indiana. Mr. Speaker, I will be happy to yield to my colleagues on that side of the aisle after I yield to these gentlemen. They have been waiting for some time, so just give me a little bit of time.

Mr. Speaker, I am happy to yield to my colleague from California.

Mr. BAKER of California. Mr. Speaker, if I might ask the gentleman from Pennsylvania [Mr. WALKER] a question?

Mr. WALKER. Sure.

Mr. BAKER of California. I am new here and do not have the historical background, but the officer of this House that recently admitted wrongdoing was also admitting to conspiracy. Do we have the information as to who he conspired with?

Mr. WALKER. Well, if the gentleman will yield to me, I do not know that we have that information specifically. It is my understanding that in the testimony that was presented to the Committee on House Administration there may have been an indication of people who he talked to in the course of sorting through what was a problem. Whether or not that was conspiracy we do not know until we have the materials. The only people in the possession of those materials at the present time are the Democrats. They would like to keep them in their own possession. We would like to have them give those materials to the public and to all of us so that we can assess whether or not there—

Mr. OBEY. Mr. Speaker, will the gentleman yield on that point?

Mr. BAKER of California. The plea that he copped to was conspiracy. Can he conspire with himself?

The point I am trying to make is the freshman class is interested in this not as an exercise in good government, but as a mechanism to clear our names.

Mr. Speaker, the last election was rather spirited over whether this House was going to be in high esteem held by the public or whether it was going to continue to be rocked by scandal. The important point of the press conferences today and this 1-hour colloquy is: Are we going to get to the bottom of this and get behind it?

And we can pass all the resolutions in the world, but we cannot come out with the information that we say these various Members of the House are guilty of no wrongdoing and should be excused from any wrongdoing, and I think we owe it to this House to get to the bottom of it, and the gentleman asked—we asked the Attorney General—should we ask the Attorney General that fired all the prosecutors in the middle of this investigation, or should we move on as a House to clear

our names? And I think, when the gentleman, former officer of this House, admitted wrongdoing and admitted conspiracy, there are several questions that need to be answered.

Mr. BURTON of Indiana. I thank the gentleman from California [Mr. BAKER] for his contribution.

I yield to the gentleman from Oklahoma.

Mr. ISTOOK. Mr. Speaker, as the gentleman from California [Mr. BAKER] was mentioning, as freshman Members of Congress certainly we are in a position where, as so many others, we campaigned on reform platforms, and it is so important to us, and I know it is important to the gentleman, it is important to people all across the country, that the concept of reforming and cleaning things up not be something that surfaces only during a political campaign. The true test of reform is what you did about it when there was no campaigning going on. Well, there is no campaign going on right now, and yet there seems to be a great amount of difficulty in getting information out in the open.

Now, in listening to the gentleman and to other people who have been here who were here last year during the investigations, I have understood some things that I would like the gentleman's feedback upon. Certainly there was an inquiry. Part of the information from that was made public; a great amount of it was not made public. There are interviews, as I understand. There are tape recordings, I understand. There are transcripts, all of these things, and that information is known, as I understand it, is known to a select few in the leadership of this Congress.

So, the information that has been made available is being held, held away from public scrutiny, tells who did something and who did not do something, and certainly a person in a leadership position has the power of rewards and punishments, and someone with information has the power to seek rewards or to seek punishments.

Now, does the gentleman have a fear that there might be, especially when we have volatile political issues such as a giant tax bill on the agenda, that some people are in essence susceptible to political blackmail because some people have information, they can use that, they can try to cover it up, they can try to bring it out according to whether they are achieving the political results they want? Do we have a danger there?

Mr. BURTON of Indiana. First of all, Mr. Speaker, I would hope that is not the case.

Mr. ISTOOK. I would hope not, too.

Mr. BURTON of Indiana. But the thing is the American people have to wonder about issues like that, and that is why it is extremely important that both Democrats and Republicans work

together to bring this to light to clear up this mess before it becomes another stain on the House of Representatives.

I yield to my colleague.

Mr. HOEKSTRA. Mr. Speaker, I am afraid that it is already becoming a stain, again being a freshman Congressman, coming to this House and really wanting to restore integrity and honor back to this House of Representatives, an institution that only 19 percent of the American people now believe is doing a good job. The stain is already there because, as I look at the chronology of events, it started back on April 26, 1991, and here we are, more than 2 years later, starting to debate whether we will have full disclosure.

Would the gentleman from Indiana [Mr. BURTON] respond to a question from a freshman?

Mr. BURTON of Indiana. Of course.

Mr. HOEKSTRA. What is the rationale in terms of delaying for this length of time such a serious problem and hiding it from the American people?

Mr. BURTON of Indiana. There is no rationale for that other than there is a lot of concern that some very important people may be hurt, and the gentleman from Kansas [Mr. ROBERTS], who is one of the people on the investigative committee of the Committee on House Administration said, and I quote, "This report is in no way complete as to what happened in the House Post Office," and I go on to quote: "The investigation should continue." That was July 22, 1992. Nevertheless, Mr. Speaker, there was a vote taken, and it was stopped, and, when it was stopped, I think it did a disservice to this House.

Mr. HOEKSTRA. As we start moving forward, I cannot help but emphasize the importance of the Members of this House to push for reform, to push for full disclosure, because how can we deal with any of the tough issues with these clouds continually hanging over us? We have absolutely no credibility, and, before we address the issues, we need to restore full credibility and integrity to this House.

Mr. Speaker, I thank my colleague, the gentleman from Indiana [Mr. BURTON] for having yielded to me.

Mr. BURTON of Indiana. Mr. Speaker, I yield to my colleague.

Mr. SWIFT. Mr. Speaker, I thank the gentleman from Indiana [Mr. BURTON] for yielding to me, and I want to say what I am about to say very calmly because most of what I have heard on the floor is extremely disturbing because it is so outrageous.

The charge here is of coverup. What I think people need to understand is that all of the materials that are under discussion here are in the hands of the House committee on ethics, and they are in the hands of the U.S. attorney. More importantly, the information in question was developed in a bipartisan task force in which I served with three Republicans and three Democrats.

□ 1840

We not only had access to material, all of us, Republicans and Democrats alike, we developed it, Republicans and Democrats alike.

Now, for this to be a coverup one has to assume that those Republicans are also on the coverup, which is ludicrous on its face. One also has to assume that all of the Republicans on the Ethics Committee who have this information available to them are involved in a coverup, which is also ludicrous on its face. But the fact that Republicans were there every minute of the time that this information was developed, that Republicans know everything that is in this material, on its face suggests that the charge that there is any Democratic coverup is also ludicrous on its face. There is no coverup.

Mr. BURTON of Indiana. If I might reclaim my time, I would be glad to yield back to my colleague, but as I just quoted, the gentleman from Kansas said that was in no way a complete report and the investigation should continue, and he was one of the principals involved.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, it is also important to recognize that the Republicans issued a separate report as a part of that, because they felt as though the Democrats' report was incomplete, was sanitized, and at the time said that there were materials being held that were not released. That is the reason why we came to the floor with a resolution within a couple of days after that asking for all of the materials to be released, a resolution that the Democrats overwhelmingly voted against, because they did not want that to come out.

That is the coverup we are talking about, the unwillingness of the Democrats to put on the record all of the materials that were before that task force.

Mr. SWIFT. But, if the gentleman will yield, he makes exactly the point. The Republicans offered a separate report. There was no compromise between the Democrats and the Republicans. They offered a separate report which was made available, and they could put in it anything they wanted.

If the Republicans failed to put in deep, dark secrets that are being charged as a coverup, then they covered up, and it is ludicrous to believe that they did that. That leads one in the inevitable logic to conclude that the charge that the Democrats are covering up is also equally ludicrous.

Mr. BURTON of Indiana. Mr. Speaker, reclaiming my time, let me just say there were a large number of us on this side of the aisle that felt that the investigation was chopped off before any real conclusion could be reached, and the gentleman from Kansas [Mr. ROBERTS] said that very clearly, the investigation should continue. But they

brought it to a conclusion, had a vote, and tried to get it under the rug as quickly as possible because they were very concerned about who might be hurt by this.

Mr. WALKER. Mr. Speaker, if the gentleman will yield, the point being that every one of those Members who the gentleman refers to on the Republican side voted to release all of the materials. They felt as though it was important to have all of the materials on the record. The gentleman suggests that that does not involve a coverup. The fact is the Democrats did not want all the materials put on the public record, and do not today. They are attempting right now to keep those materials from going on the public record.

Mr. SWIFT. Would the gentleman care if any of us told you why we do not want them released?

Mr. BURTON of Indiana. Mr. Speaker, reclaiming my time, let me briefly yield to the gentleman from Wisconsin [Mr. OBEY]. I want to have some comity with the gentleman before the session is over.

Mr. OBEY. I would just like to ask in light of the comments made previously about the prosecutor, is anyone here tonight alleging that the present U.S. prosecutor or the past U.S. prosecutor have been derelict in their duty in any way in asking this House not to release this information? Are you alleging dereliction of duty on the part of the U.S. prosecutor?

Mr. WALKER. If the gentleman will yield, I do know the U.S. prosecutor was on television last night, the former U.S. prosecutor, the one fired when he was about to have the indictment, and indicated he thought there were real problems in this whole process, and that he was prepared to go with the indictment but he ended up getting fired first. So now we have the new acting U.S. attorney telling us we should not proceed further.

Mr. BURTON of Indiana. Mr. Speaker, let me reclaim my time.

Mr. OBEY. So you will not answer my question.

Mr. BURTON of Indiana. Let me just say this—

Mr. WALKER. No one was derelict in their duty.

Mr. BURTON of Indiana. Let me just say that I think that all of these animosities and all of these concerns could be laid to rest very, very easily if the House of Representatives had a complete clean breast of this situation for the American people and every Member of this body. That is what needs to be done. That is what should have been done a year ago, and was not done.

Mr. SWIFT. Will the gentleman yield on that point?

Mr. BURTON of Indiana. I will be happy to yield to my colleague.

Mr. SWIFT. I feel very strongly about this. I led the fight last time not

to do so, and these are the reasons. Our investigation was not typical of a criminal investigation because we were not charged with making a criminal investigation. What we were charged with doing was finding out what went wrong and recommending new administrative procedures in the post office so it would never happen again. And we did that.

But the nature of the testimony we took was very, very different and taken under very, very different circumstances than you would if you were pursuing a criminal investigation.

In fact, the witnesses were told, and I have to tell you it was a Republican counsel who first said this, and I do not mean to blame Republicans, but only to indicate that there was bipartisan agreement on this, and he said, "Everything you say is off the record."

The witnesses, who, after all, are primarily employees of this institution, employees of the post office, were told that what they said would be off the record.

Second, almost none of the witnesses were sworn. There is innuendo, there is rumor.

If the gentleman would let me continue, the central question is why not, and I am telling you why not, and I would hope you would give me a bit more time.

The record contains hearsay. For what we needed to do, the analysis of the administrative problems down there, that was quite acceptable. It would be wholly unacceptable if you were following a criminal prosecution. Who would be harmed if these were—

Mr. BURTON of Indiana. Reclaiming my time, let me say this—

Mr. SWIFT. The gentleman does not want me to tell you why?

Mr. BURTON of Indiana. There was a difference of opinion between Democrats and Republicans. You sound like that everybody was on the same wavelength. That is not the case. The chairman of the committee said there is no credible evidence to back up allegations of wrongdoing against any individual, and yet one of the members of that committee from Kansas said the investigation should continue. It was cut off, and when the vote took place on this floor, it was on a party line vote.

Mr. SWIFT. That is irrelevant to the question raised.

Mr. BURTON of Indiana. Why is it irrelevant?

Mr. SWIFT. It is irrelevant to the question you raised and how I tried to answer it.

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

Mr. BURTON of Indiana. I yield to the gentleman from Georgia.

Mr. LINDER. Mr. Speaker, I would like to direct one point toward the point of the gentleman from Washington [Mr. SWIFT]. That is he says this

report is full of hearsay evidence, hearsay testimony, lack of evidence, unsworn, promised it would be off the record.

This is the evidence we were told this morning that the Speaker of the House is willing to release 10 working days from now, the same evidence. Our point is why is the timeframe so important? Why is it going to have to be held up for 10 legislative days in the House, 10 working days? If this testimony is so off the record, so hearsay, so unreliable, why would the Speaker say we cannot release it tomorrow, but we can release it in 10 working days?

Mr. SWIFT. That is not what the Speaker said, if the gentleman would yield.

Mr. BURTON of Indiana. I would be happy to yield. What did the Speaker say?

Mr. SWIFT. What the Speaker suggested is if we are going to pass this, we should give the Attorney General of the United States 10 days in which to determine and inform us as to whether or not revealing this information will jeopardize an ongoing criminal investigation.

Mr. BURTON of Indiana. If I might reclaim my time, there has been a year. There has been a year. Why 10 more days? Why not tomorrow?

I think there are many people concerned about the legislative process that is taking place around here and what this might impede.

Mr. SWIFT. There are answers to all the gentleman's questions, if he will yield so he can get the answers.

Mr. WALKER. If the gentleman will yield, the gentleman from Washington [Mr. SWIFT] just helped us understand why this would not interfere with the prosecution, because in no instance were any of the witnesses granted any kind of immunity. It is our understanding after consulting with a bevy of attorneys, most of whom have been prosecutors, that they feel as though there is absolutely nothing that would get in the way of proceeding with the prosecution, unless in the course of those deliberations in the House Administration Committee someone was actually granted immunity from prosecution. No such immunity grants were done.

As the gentleman from Washington pointed out, the witnesses were brought in not in a criminal proceeding, and so therefore there was no immunity granted to them. So there is absolutely no way that anything that is in those documents could get in the way of the prosecution.

It is clear then when that is used as an excuse, that that is one more attempt to keep this House from moving ahead with the rightful obligation to release this material to the public.

Mr. SWIFT. If the gentleman will yield, that is simply wrong.

Mr. BURTON of Indiana. I see some of the leadership is here. The majority

leader visited us. I am glad he is here to hear this tonight.

□ 1850

I hope that he, along with the Speaker, will sit down and very calmly talk about this issue and try to get all of the relevant facts before the body for a complete investigation so we can make a clean breast of this to the American people. I think that if anything else is done, it is going to increase the disrespect the American people have for this House.

It is imperative, in my opinion, that we not have another full-blown House checking scandal. It appears to me we are heading in that direction.

If the leadership wants to head that off at the pass, what they need to do is bring this to a conclusion as quickly as possible.

Mr. Speaker, I yield to the gentleman from California [Mr. BAKER].

Mr. BAKER of California. Mr. Speaker, maybe the gentleman cannot answer this. The gentleman from Washington might be able to.

At the time these hearings were held and the separate reports were made, did either side know they were being lied to by an employee of this House?

Mr. BURTON of Indiana. Does the gentleman from Washington care to respond to that?

Mr. SWIFT. Mr. Speaker, the gentleman refused to yield to me. I was not listening anymore.

Mr. BAKER of California. At the time the two reports were written and the testimony was taken, did either side know that they were being lied to by an employee of the House?

Mr. SWIFT. I do not believe that either side knew with certainty. There was no proof.

Mr. BAKER of California. Did they know that there was a Congressman A and a Congressman B involved in a conspiracy?

Mr. SWIFT. No.

Mr. BAKER of California. Well, now we do know because the gentleman that worked for the House has pled guilty to a conspiracy.

Mr. SWIFT. The point is that there is an ongoing, and has been for months, criminal investigation that is going to get at the root of this. What you people want to do is to release this information, which may well interfere with the successful completion of that criminal prosecution. Why do you want to do that?

Mr. BURTON of Indiana. If I might intercede, I do not remember the Majority being concerned about that with Watergate or with the Iran-Contra investigation or anything else. Criminal prosecution could be secondary. You went right ahead with the hearings just as quickly as possible. But when your party is involved, when your party is involved, the first thing you do is say, "Wait a minute. We have to

wait for the criminal prosecution to take place." I think there is a double standard here that many of us simply do not understand, nor do the American people understand.

Mr. BAKER of California. The firing of the prosecutor did more to slow down this investigation than any of the shenanigans we might have on this floor.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2667, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR RELIEF FROM MAJOR WIDESPREAD FLOODING IN THE MIDWEST, FISCAL YEAR 1993

Mr. BONIOR, from the Committee on Rules, submitted a privileged report (Rept. No. 103-187) on the resolution (H. Res. 220) providing for consideration of the bill (H.R. 2667) making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2490, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

Mr. BONIOR, from the Committee on Rules, submitted a privileged report (Rept. No. 103-188) on the resolution (H. Res. 221) waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

FACTS WITH RESPECT TO THE POST OFFICE INVESTIGATION AND CONTINUING DISCUSSION OF NAFTA

The SPEAKER pro tempore [Mr. FINGERHUT]. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

Mr. BONIOR. Mr. Speaker, I am here tonight to speak about NAFTA. Before I do, I yield to my colleague to lay before the House some of the facts on the issue that has previously been discussed this evening with respect to the post office situation.

I yield to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman for yielding to me.

I thought it would be appropriate, before you go into the rest of your special

order tonight on NAFTA, to try to clear the air and to bring some facts to the matter that has just been discussed in a prior special order about the investigation regarding the post office.

I would like to read from a letter that was sent to the Honorable THOMAS S. FOLEY, Speaker of the House, and the Honorable ROBERT MICHEL, minority leader of the House, on today, July 21, 1993.

DEAR MR. SPEAKER AND CONGRESSMAN MICHEL: We have been advised that the House of Representatives may be considering the public release of previously confidential materials generated during the inquiry conducted last year by the Task Force to Investigate the Operation and Management of the House Post Office. I am writing to express this Office's serious concern that the release of such materials could have a significant adverse effect on the ongoing criminal investigation being conducted by this Office into matters associated with the House Post Office. Accordingly, I ask you not to authorize the release of such materials.

Last year, this office endeavored to work cooperatively with the Task Force, so as to enable the Task Force to conduct its mandated operations-and-management review of the Post Office, without invading the integrity of the criminal investigation. After completing its review in July of last year, the Task Force prudently concluded that many of the materials that it had collected or generated—including deposition and interview transcripts and tapes—ought to remain confidential, in part because the publication of such materials posed a significant potential to compromise the ongoing grand jury investigation. That potential remains today. The investigation is continuing, and inevitably involves many of the same witnesses and transactions that the Task Force inquiry included.

For these reasons, I strongly request that the House refrain from releasing additional materials generated by the Task Force inquiry.

J. RAMSEY JOHNSON,
United States Attorney.

This individual, J. Ramsey Johnson, is the deputy to former U.S. Attorney Jay Stephens. He is a career official in the U.S. Department of Justice, U.S. Attorney's Office.

He is the same person that worked with Jay Stephens as his deputy in the work on the criminal investigation and prosecution in the post office situation.

It is worth noting that all through the investigation, Jay Stephens was in contact with this Task Force. In fact, I have here in front of me two letters, one June 4, 1992, another March 27, 1992, in which Jay Stephens made recommendations to the task force to either not interview a certain witness or to interview a certain witness, as they worked together to see that their two work products complemented one another and did not injure one another.

The truth is that if there was a resolution here tomorrow to release this information, we would be doing the very thing that I think would be wrong to do, and that would be to complicate, to sidetrack, to obfuscate, to damage, to injure somehow an ongoing and, ap-

parently, successful criminal investigation.

We had the former Postmaster plead guilty in Federal Court the other day, as a result of that criminal investigation, which is still ongoing. And as the U.S. attorney said in his letter to us today, please do not reveal any of this information because you are going to damage the work that we have done.

Now, statements have been made that the materials were not in the hands of the other party. The other party cooperated and was part of the work of the task force. It was evenly divided between both parties. There were three on one side and three on the other.

All of the work of the task force was done cooperatively between the parties.

Statements were made about cover up and the fact that the resolution that was passed last year was part of a cover up. I think the words must not have the meaning that I think they have in Webster's dictionary. The cover up would come if we voted somehow tomorrow to release the information, to stop the criminal investigation. That is the last thing in the world anybody who wants justice to be done in this case would want to do.

□ 1900

You have a U.S. attorney who is in the middle of and succeeding with a criminal investigation, saying, "Please don't compromise our efforts. Please don't stop the investigation that we are involved in by doing this, because you might ruin what we are trying to do."

If you are trying to cover up, if you are trying to frustrate a criminal activity, then surely you would want to release this information publicly. How in anyone's right mind could they want to do this? It is unbelievable to me that anyone who has any sense of the criminal law and how it works would want to come to the floor and say, "Let us frustrate a criminal investigation. Let us put material out and stop what the U.S. attorney is trying to do, and has told the leadership of the House, both Republican and Democratic, what he is trying to do."

I think, rather than trying to create confusion, trying to obfuscate, trying to misrepresent what the facts are in this case, we should listen to what the assistant U.S. attorney has said. We should listen to what they have said, as we have over the last year of this investigation, and try to cooperate with the law enforcement officials of this area and this country.

A lot of speeches were made on this floor about law and order. I am interested in law and order. I must say to my friends, the best way to represent law and order and to get to the bottom of allegations that have been made and bring to justice anyone who has broken

the laws of this House of the United States is to do what we always do, and that is cooperate with the law enforcement officials of our country, who are trying to do their job in the best possible way they can, and are simply asking for the simple cooperation of the U.S. House of Representatives in doing that.

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

Mr. BONIOR. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding to me.

I must say that I rise with considerable sadness after what I witnessed during the last hour in this House tonight. I started out in life, and I am sure this will shock my Republican friends, I started out in life as a passionate Republican. I peddled more literature for—

Mr. BONIOR. Sorry to hear it.

Mr. OBEY. I peddled more literature for Bob Taft and Joe McCarthy than anybody in the State of Wisconsin when I was a teenager in 1952.

One of the reasons that I left that party and became a Democrat, eventually, is because in my own State we had a man by the name of Joe McCarthy. He defined politics in my State. His conduct demonstrated to me that I could not continue to remain in the Republican Party in Wisconsin. Thank God that has now changed. It demonstrated to me I could not remain in the party.

As I was saying, it was demonstrated to me that in Wisconsin, in those days, it was not possible to remain in the Republican Party and to disagree with the character assassination, innuendo, and other tactics used by him at that time. Thank God he has now been largely discredited, I believe, in both parties. Certainly his techniques have been.

I think I know an imitation of McCarthyism. I think I know the sly use of innuendo when I see it. I must say that I regret it every time I see it.

I also think that I know it when I see a pitiful disregard for due process and for fairness, and I have to say that I hope that this House has learned something from the missteps that we took in Iran-Contra. In our eagerness to pursue a wrongdoing, or perceived wrongdoing in that case, we engaged in a process which effectively resulted, unfortunately, in a number of convictions being thrown out of court on technicalities because the court ruled that witnesses had been prejudiced by the activity of the committee at that item; inadvertently, I am sure, but nonetheless that is what happened.

It just seems to me that in the teeth and in the weight of that record, for us to blithely disregard the request of the U.S. prosecutor who, after all, is the man who successfully concluded the investigation and the conviction of the

former Postmaster, it would be the height of irresponsibility. I would simply suggest that unless Members have contacted the U.S. attorney and have received a different set of requests, or unless they have some evidence or have reached a conclusion that the U.S. attorney himself is derelict in his duty, and we have been assured tonight that that is not the case, unless they have determined from the prosecutor's office what effects could occur on the potential prosecution of other people if we release that information, it seems to me that the prudent course is to disregard the rather eager and, in my view, misguided comments that have come from many sources tonight and to, for the moment at least, review with the U.S. attorney what his wishes and desires and needs are.

That is the professional way to proceed. That is the nondemagogic way to proceed. That is the fair way to proceed. That is the way to proceed if one has regard for due process and is more interested in seeking information than scoring political points.

I would hope that we would not see more repetitions of what we have seen in the last hour in this House.

Mr. GEPHARDT. Will the gentleman yield?

Mr. BONIOR. I yield to my colleague.

Mr. GEPHARDT. There are two other points here that I want to make, and then a third point, very quickly, that I would like to answer.

First of all, all of the materials that were produced by this task force have gone both to the U.S. attorney and to the Committee on Standards of Official Conduct of this House. All of the materials have gone both to the U.S. attorney, and at a time, incidentally, when the U.S. attorney was under a Republican President, and to the Committee on Standards of Official Conduct of this House, which is evenly divided between the Republican and Democratic Party.

Second, to reiterate a point I made a moment ago, we are not prosecutors. We are not enforcers of the criminal law. That is done by the Justice Department. If we were to release these materials, we would be obstructing an activity that is going on by the Justice Department. That is why it is wrong.

Finally, in the colloquy that went on earlier there was an intimation that perhaps the leadership on this side or the Speaker had called the U.S. attorney to elicit the letter that came. If that was intimated, it is absolutely false and wrong. I don't know what was said, I don't know how it was said, but I can tell the Members that that was not done.

There was an intimation that there was somehow an effort by the U.S. attorney to use this material to have leverage, or somehow that the administration would have some kind of leverage on people that are participating in a conference on the budget. Again, if

that is the intimation that was made, I am deeply offended by it.

This is a U.S. attorney who is a career official who has spent most of his career under Republican Presidents and Republican Attorneys General, who is beholden to no one in any party, and to intimate or to say somehow he would use this criminal investigation to influence what any Member of Congress would do is absolutely a reprehensible and false statement to ever make in this place.

Everything that has been done in this case on this side has been done in the interest of bringing truth and justice to this matter. Indeed, that is what is happening as a result of this criminal investigation. I wish and I hope that we will go forward with this criminal investigation and give our Department of Justice and the people who work very hard for it the ability to continue their work and to get every possible fact in front of the public.

□ 1910

And when that is finished, and they have had the chance, the best possible chance to bring justice in this case, and to bring everybody who did anything wrong to justice, then we would be happy to entertain anybody's idea of putting everything in front of the public and letting the public make known their judgment and all of these facts.

I thank the gentleman for yielding.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

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

Mr. BONIOR. I will not yield at this point.

What I will do is talk about justice and switch subjects for the moment. I have six Members who have come to the floor this evening to talk about justice for workers.

Mr. Speaker, I ask for order.

Mr. Speaker pro tempore. (Mr. FINGERHUT). The gentleman will suspend. The gentleman from Michigan [Mr. BONIOR] controls the time. He has declined to yield.

Mr. BONIOR. I thank the Speaker.

Mr. Speaker, I come to the floor tonight to talk about justice for workers, to talk about the North American Free-Trade Agreement.

Mr. Speaker, for several weeks running now I have come to the floor of the House to speak out against the proposed North American Free-Trade Agreement.

I'm against NAFTA for one simple reason: NAFTA threatens American jobs.

If this agreement is ratified, we will lose jobs in manufacturing. We will lose jobs in agriculture. And we will lose jobs in small business.

Removing barriers to fair and free trade between countries is, in principle, a good idea. That's why I supported the Canada Free-Trade Agree-

ment. That agreement has Free-Trade Agreement. That agreement has worked for us because the United States and Canada are essentially similar economies.

But there is something dreadfully wrong with linking together two countries whose economies, basic political systems, and environmental standards are as vastly different as ours and Mexico's.

Let's look at the facts. They shouldn't be news to anyone who's been paying attention to what is really going on in Mexico.

Mexico's minimum wage of just 58 cents an hour is a mere fraction of wages in the United States. Even the best manufacturing jobs in Mexico pay less in a day than United States workers earn in an hour.

Why are Mexican wages so low?

Because the Mexican Government keeps them low.

When workers try to organize independently for better wages or working conditions, the Government steps in to squash them.

Just ask the four Mexican workers who bravely came here last week to testify before the Subcommittee on Employment, Housing, and Aviation. They told their own personal stories—in spite of threats of government reprisal—about the retribution they've suffered for doing little more than meeting with fellow workers—after hours, off the company premises—to talk about the need for decent wages.

Juan Carranza worked for the TDK company in Juarez for two years. He earned \$8.50 for a back-breaking, nine hour day making magnetic components. But he was fired in September of 1992 because he was trying to reform his government controlled union and make it more democratic—more responsive to the needs of the workers.

He went to plant after plant in the Juarez area, but no one would hire him. Finally, at one of the plants he went to, the personnel officer showed him a list with his name on it. She said it was a list of rebellious workers, circulated by the local chamber of commerce, and that he would have to get a letter from TDK in order to get his name off the list. Of course, they wouldn't give Mr. Carranza a letter to clear his name.

He testified about his greatest heart-break in all of this—without a paycheck, he couldn't buy Christmas presents for his children.

Alma Molina told her story, too. She worked for Clarostat—a U.S. company with a plant in Juarez. She earned \$4.50 and for a nine hour day. Fifty cents an hour. She worked with dangerous chemicals—like phenol and epoxy resin—without gloves or masks.

She began meeting with other workers who were concerned about health and safety conditions in the plant. They met after hours, off the plant premises, to begin organizing.

Like Juan Carranza, it wasn't long before she was fired. The personnel manager told her to her face that she was being fired simply for trying to organize a union. Unlike Mr. Carranza, though, Ms. Molina was fortunate enough to find another job right away, at a plant owned by General Electric.

But was she able to keep that job? After she was there for only seven days, she was called in to her manager's office. The manager pulled out a black folder. Inside it was a list of names. He said she would have to be fired because her name was on the list. He said it was a list of undesirables—criminals, and drug addicts, and thieves.

Then—as a final indignity—he asked her which of those categories she belonged in.

Ms. Molina is still without work today.

This kind of outrageous repression of basic labor rights is repeated over and over again, in town after town, and in plant after plant, all across Mexico.

Some would say wages are low in Mexico because productivity is low. They couldn't be more wrong.

Prof. Harley Shaiken, of the University of California at San Diego, did a report which shows that wages are kept low in spite of rapidly rising productivity.

He documented how the newer plants in Mexico, like Ford's \$500 million stamping and assembly plant in Hermosillo, are every bit as efficient as plants here at home.

With Mexico's high technical efficiency and low wages, can anyone doubt that United States companies will run for the border once NAFTA is approved?

Throw into the mix Mexico's lax environmental standards—an additional incentive for industry to move South—and you have a formula for economic disaster for American workers.

The Resource Center, a nonprofit research institute located in Albuquerque, has documented over 96,000 specific jobs, from 253 specific plants, lost to Mexico over the last 12 years.

They estimate the total number is actually much higher. When you add in job losses that supplied or serviced the relocated firms, you get a conservative figure of over 500,000 jobs lost to Mexico.

Think about that. Over half a million Americans out of a paycheck because the multinationals that used to employ them found they could pay Mexican workers a whole lot less.

They don't even have to worry about environmental regulations or worker safety standards by moving to Mexico, to boot.

And now we're going to endorse these relocations and job losses—and invite even more of them—by having our Government roll out a big red carpet called NAFTA?

Not if I can help it.

That's why I'm here to make sure my colleagues and the American people know the facts about NAFTA before we rush into this fatally flawed agreement.

While we're on the subject of the facts about NAFTA, I wonder how many of my colleagues and constituents have stopped to ask who's fighting on the other side of this thing, trying to pass NAFTA?

It's the Fortune 500 companies—it's the Wall Street investors who see in NAFTA more easy money opportunities, like the kind they scored with merger and buyout mania during the 1980's, that left most of the rest of America out of work and in debt up to their eyeballs.

And it's the guys running around Washington in the thousand dollar suits, who are being paid big bucks by the Mexican Government to lobby on their behalf.

Altogether, the Mexican Government and the pro-NAFTA corporations are spending more than \$50 million to pull the wool over our eyes to get this thing passed.

A special advertising supplement in today's New York Times is a perfect example of what they're up to.

They've got a big spread. It takes up seven pages in the business section of the paper. It combines articles and opinion pieces supporting NAFTA, disguised to look like news, with paid advertisements touting NAFTA's benefits.

The list of advertisers reads like a Who's Who of the corporate elite.

Insurance companies.

Banks.

Telecommunications firms.

Here's the really outrageous part:

When the groups opposed to NAFTA tried to place an ad in the same section, to tell the other side of the story—the side of the story about what NAFTA will really mean for working people—the New York Times said no.

The groups were willing to pay the same rates that the pro-NAFTA people paid, but the Times wouldn't let them.

When opponents of NAFTA tried to take another tack, and asked if they could place an op-ed on the regular opinion page—to at least give some kind of balance to the advertising supplement—they were again denied.

Is that journalistic integrity? I wonder how much money they made off that advertising section. The New York Times should be embarrassed out of business for taking such a blatantly biased approach to NAFTA.

Well, working people aren't going to let them get away with it so easily. Yesterday, at noon, working people staged protests at New York Times offices all around the country. In New York, Philadelphia, Chicago, San Francisco, Los Angeles, in Detroit—my home State, and right here in Washing-

ton, working people joined together to let the Times know what they think about a supposedly free press that looks like it can be bought—lock stock and barrel—by the big money interests who support NAFTA.

Now, I do not know if any of the Members saw today, but there was a special advertising section of the New York Times, you know, the paper that says all of the news that is fit to print. This New York Times special advertising section is a perfect example of what is going on with lobbying today on this issue in the U.S. Congress. They have a big spread and it takes up seven pages in here in the business section. It combines articles and opinion pieces supporting NAFTA, disguised to look like the news, to look like the news, with paid advertisements touting NAFTA's benefits. The list of advertisers reads like a Who's Who of the corporate elite, insurance companies, banks, telecommunications firms.

□ 1920

Here is the really outrageous part though: When groups that were opposed to NAFTA tried to place an ad in the same section to tell the other side of the story, the side of the story about what NAFTA really means to working people, the New York Times said "no." The paper that says that they are going to print all the news that is fit to print said no. The paper that comes before this Congress and the American people and rails about what they say is a system that needs correction, and it does.

Then when it comes to the big bucks and the big boys on Wall Street and the investors, they say no to the working people, "You cannot have your say." And that is why working people all across the country today in eight cities, in eight States around the country, picketed the New York Times because they said "no" to the first amendment. They said "no" to the rights of the American worker to have their say about the corruption in Mexican Government, about the corruption that they are trying to foster on us with this treaty that will put many of our workers out of work.

The groups willing to pay the same rates that the pro-NAFTA people pay, the Times would not let them; they said "no." And when opponents of NAFTA tried to take another tack and asked if they could place, you know, an op-ed piece on some regular opinion page to at least give some kind of balance to the advertisements supplement, they were again denied by the New York Times.

Now, I ask you, is that journalistic integrity? I wonder how much money they made off of that advertising section here.

The New York Times should be embarrassed, out of business, for taking such a blatantly and biased approach to NAFTA.

Well, I want to tell my colleagues and the American people, working people are not going to let them get away with it so easily. We are not going to let the Washington Post and other papers around the country who print Henry Kissinger op-ed pieces in support of NAFTA under the name of the writer, that he is a former Secretary of State, of Kissinger Associates, an international consulting firm with business interests in many countries abroad. I would like to know what interest Henry Kissinger has in NAFTA, what corporate and investor elites he represents. I want to know exactly what these op-ed pieces are and who writes them, and I want to know the writers, these esteemed writers that we have in the country, that walk around here with halos that take 15 and 20 grand apiece to give a speech to these business organizations who are in support of NAFTA. I want to know what their credibility rating is on this issue.

And I want the newspaper industry in this country and those who are about justice to come forward and explain to the American people how they could be so biased, how they could be so one-sided on an issue that affects the working people of this country.

Mr. Speaker, I yield to my friend, the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. I know that our colleague, the gentleman from New York [Mr. HINCHAY], has some things to say about jobs as you did, but if I could for a couple of minutes follow up on what you were saying about newspapers.

In the Cleveland Plain Dealer, that same article from Henry Kissinger ran the by-line under the article said, "by Henry Kissinger, formerly served as Secretary of State in the Nixon and Ford administrations," never a hint about whether Henry Kissinger is receiving money as a consultant to the tune of tens of thousands of dollars from the Government of Mexico. When Bill Brock writes a similar op-ed piece for newspapers all across the country, newspaper publishers snatch them up immediately, put them in the paper, and they say, "Bill Brock was formerly U.S. Trade Representative in the Reagan," I believe, "administration," never again saying that Bill Brock is on the payroll of the Mexican Government, never saying Bill Brock is on the payroll of U.S.A. NAFTA, the corporate group in America that is supporting NAFTA.

The point is that these newspapers, if they are going to come clean, these newspapers if they are going to be forthright, should tell the American people what the story is, that these people are using their former service in the U.S. Government paid for by taxpayers, supposedly representing American interests when they negotiated trade agreements in the past, they are using those titles to tell the American

people that they should pass something.

It is important, and I would ask people watching C-SPAN and watching this to call some friends. We are going to talk about jobs. The gentleman from New York [Mr. HINCHAY] is going to talk about jobs. The gentlewoman from Florida [Mrs. THURMAN] is going to talk about agriculture and what NAFTA means about that. Call your friends, because the way we are going to defeat this agreement is not by spending more money than the Mexicans. The gentleman from Michigan [Mr. STUPAK] is also going to talk about jobs and agriculture. But it is not going to be by spending more money, not going to be by editorials in the newspapers.

It is going to be by the fact that most Americans are against this, and Americans, all of us, everyone needs to write their Member of Congress, needs to write all of us so we can stand up on the floor and say that we have got 3,000 letters against NAFTA and only 12 of the wealthiest business people in our district were for it, because small business is against it, the people are against it, workers are against it. It is a bad idea.

It is an investment agreement as the gentleman said. It is not a trade agreement. It does not mean jobs. It means loss of jobs. It is a job killer. It is a small-business killer. It is a killer for our communities if these companies just pull up stakes and leave town.

Mrs. THURMAN. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I am happy to yield to the gentlewoman from Florida.

Mrs. THURMAN. I just want to make a point here in the fact that we have brought up the fact of how the Americans should be feeling about this and getting in touch with them.

I say to the gentleman from Michigan [Mr. BONIOR] that one of the questions I would like to ask him is: During your testimony tonight or conversation tonight, you talked about the workers from Mexico. The one question that was asked to the Mexican workers, and yet we have been led to believe, as Americans, that Mexicans are for this, and the one question that was asked of all three of those workers who came here at their risk, their families' risk, their ability for economic stability within their own families, was: Did they agree or want NAFTA in their country? do you know what their answer was? Adamantly no.

Mr. BONIOR. It is not surprising. I thank my colleague from Florida for bringing that out.

The press would have us believe that the Mexican people are for it. They are overwhelmingly against it.

I will tell you why they are against it: The people who care about human rights, the people who care about political reform, the people who care about

labor-law reform in Mexico, and all the things that will help rise the average Mexican worker to a level they can compete and live and provide decently for their family are against it. Ninety percent of the Mexican people know what this treaty will do.

What it will do is it will lock in the existing corrupt system in Mexico. It will lock in a system that we have seen show wages dropping from 1979 to 1992—25 percent. It will lock in the system of pollution. It will lock in the system of labor law which is not enforced, and judicial law which is not enforced.

It will preserve a system for an elite, an elite that we are talking about 30 families who control 60 percent of the gross domestic product in Mexico. That is what this thing is for. That is what this thing is for, and that is why there is such an outrage, as the gentlewoman from Florida has mentioned in Mexico itself to what is going on here.

So we are going to talk about agriculture tonight. But before we move into the area I would like to yield for a second to my distinguished colleague, the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding. But I want to talk about agriculture.

Over the past 2 years, the Subcommittee on Commerce, Consumer Protection, and Competitiveness which I chair has held numerous hearings looking at the impact of trade agreements on the health and safety of the American public.

On many occasions, I have come to the House floor to express my concerns over the way free trade agreements with Mexico and Canada may actually weaken food safety standards designed to protect American consumers. These efforts culminated last year in the subcommittee taking a resolution to the floor which stated that Congress would not implement a trade agreement that compromises our country's health, safety, labor, and environmental laws. This resolution was unanimously adopted.

I want to bring my colleagues up to date on our subcommittee's work as it has been in regard to food safety. I recently met with Secretary of Agriculture Espy, who shares my concerns for health and safety of the American public should not in any way be compromised in the name of food trade. But I remain concerned that stricter, more vigorous enforcement of tough U.S. food safety standards is still needed.

At the subcommittee's hearings 2 years ago, a U.S. Department of Agriculture [USDA] import meat inspector working on the United States-Canada border testified that the Department had implemented a streamlined program for the inspection of meat imported from Canada. According to the inspector, this streamlined program

permitted the Canadians to determine which samples of meat would be inspected, and limited the number of inspections that could be performed.

Furthermore, the inspector testified that his superior told him he could not perform a lab test on a load of Canadian meat he suspected was contaminated with the potentially deadly listeria bacteria. He was told they had fulfilled their quota of tests for that period of time.

I brought these criticisms to the attention of former Secretary Madigan on three separate occasions with letters dated May 23, 1991; January 22, 1992; and May 14, 1992. I even went to the House floor on June 27, 1991, to describe how, in the name of free trade, the Department of Agriculture was letting Canadian officials, who are not accountable to our Government, take responsibility for protecting the health and safety of American citizens.

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Following the airing of a CBS news show raising concerns about inspection procedures for Canadian meat, then Secretary Madigan acknowledged the problem and promised to improve border inspections. At that time, he came to my office and stated that he had been unaware of the problem.

This year, this subcommittee again heard from Mr. Lehman the USDA meat inspector. This time he raised the concern that meat was being imported from Australia and possibly other countries and, for reasons that are not clear to us being shipped first to Canada and then through Canada into the United States.

When Australian meat was presented at the United States-Canada border, Mr. Lehman asked his supervisor whether the meat should be treated as Canadian, and thus subject to the limited streamlined inspection; or as Australian meat, and subject to very thorough reinspection. His supervisor called headquarters same supervisor as 2 years ago and Mr. Lehman was instructed to treat it as if it were Canadian meat.

The Department of Agriculture now admits it made a mistake in treating the Australian meat as Canadian for purpose of inspection. Nevertheless, we still know that the streamlined procedures adopted at the United States-Canada border are causing problems and that, for whatever reason, Australian meat is still coming to the United States via a very circuitous route through Canada.

Witnesses at the subcommittee's hearing, earlier this year, also raised concerns that NAFTA will lead to an increase in the importation of fruits and vegetables from Mexico. Mexico's standards restricting the use of pesticides on food are different than ours and in some cases considerably weaker.

Two concerns were raised. First, the Mexican Government has no enforce-

ment mechanism to ensure that Mexican growers comply with even the standards it has established. These standards are based on those set by the International Food Organization, and permit trace levels of DDT and other substances which are not permitted in our country.

Second, our Government does not have a sufficient number of inspectors at the United States-Mexico border nor the testing capability to ensure that fruits and vegetables coming into the United States comply with our country's pesticide standards. Testing procedures used by the Food and Drug Administration are able to detect only about half of possible pesticides used.

As a result, witnesses testified before our committee that Mexican growers are able to use whatever pesticides they want on produce grown in that country. According to the General Accounting Office which was also represented at our hearing, the pesticide violation rate for Mexican fruits and vegetables is more than twice as high as for United States grown produce.

Furthermore, Mexico is known to have approved uses for 58 different pesticides on food that we have not approved. In addition Mexico permits 17 pesticides to be used on food that the United States has no approved use for at all, of any kind.

Six of these 17 pesticides are used on produce Mexico exports to the United States. Ten of the pesticides for which Mexican tolerances are different than our own, Mexico says are critical to its agricultural industry.

In addition, the North American Free-Trade Agreement [NAFTA] sets up a dispute settlement procedure which Mexico could use to challenge our stricter pesticide standards as being trade barriers. Under the NAFTA procedures, the United States would have only one representative on a tri-national panel to make a determination on a possible Mexican challenge.

That does not make a lot of sense to me. That means that Mexico and Canada could decide whether or not the foods they are sending to our country were trade barriers and therefore challenge our FDA laws, with respect to food for United States consumption.

Mr. BONIOR. If the gentlewoman would yield, the gentlewoman mentioned 17 pesticides that were not legal for use in the United States that are regularly and legally used in Mexico that could affect our population by being shipped here on the products on which those chemicals are used.

I would like to mention a few of them to illustrate the gentlewoman's point. There is a chemical triazophos, which is used widely on potatoes in Mexico. The EPA found that this chemical attacks the central nervous system, causing vomiting, diarrhea, headaches, twitching, sometimes full convulsions, or even death.

There is another chemical among the 17, pirimicarb, used on apples, beans, citrus fruits and vegetables. It causes vomiting, blurred vision, slurred speech, distressed breathing and, yes, even death in higher concentrations.

These food safety hazards are multiplied 10 times over during the processing, where sanitation standards in Mexico are much lower than they are in the United States.

So the gentlewoman from Illinois [Mrs. COLLINS] is absolutely correct, the standards with respect to food safety which this Congress, State legislatures, the Federal Government, consumer groups all over this country have worked hard to improve over the last 100 years, will be wiped out with this NAFTA agreement.

Mrs. COLLINS of Illinois. If I may, let me say that a witness who is representing the Florida Fruit and Vegetable Association said pesticide differences constitute an unfair playing field that has more than just health consequences for the United States. It has job consequences. He estimated that NAFTA could cost the State of Florida alone 50,000 jobs in its agricultural sector.

Mr. BONIOR. Does the gentlewoman have the name of that gentleman?

Mrs. COLLINS of Illinois. John Himmelberg.

Mrs. THURMAN. And also represented by the Fruit and Vegetables—David Land.

Mr. BONIOR. How many jobs did the gentlewoman say this would cost?

Mrs. COLLINS of Illinois. Fifty thousand jobs in the agriculture sector in the State of Florida alone.

Mr. BONIOR. I heard testimony from a Mr. Michael Stewart of the Florida Fruit and Vegetable Association before the Committee on Ways and Means. He said this:

NAFTA may very well result in farmers and growers losing their farms and groves, their workers losing their jobs, and a number of rural economies being seriously harmed. Growers in Florida have weathered many natural disasters and are now contending with the disasters of Hurricane Andrew. Just like growers in Iowa and Missouri are trying to contend with the catastrophic flooding in the Midwest, I might add. Our growers cannot contend with the manmade disaster in NAFTA.

That is how he concludes his statement.

Everything I have read in terms of agriculture, family farms, specifically the Florida economy, will show tremendous job loss if this goes through, and I commend my colleague for bringing that to our attention this evening.

Mrs. COLLINS of Illinois. I thank the gentleman.

Now, finally, if Australian meat can enter the United States as Canadian meat simply because it is transshipped through Canada, there is certainly reason to be concerned about the transshipment of fruits and vegetables from

Central and South American countries through Mexico. Given the inadequacy of Mexico's pesticide enforcement capability, I think this concern is certainly increased.

We then have to ask ourselves, as we did 2 years ago, should free trade mean that we restrict our own Government's efforts and responsibility for protecting the health and safety of American citizens? The answer to this question must be, a resounding "No".

Before closing, let me say that I have just received something that I think is very important that was in the Des Moines Register a little while ago. It says, "Bovine TB still a public concern." I think that certainly covers the whole prospect of meat and other food products that we consume as Americans.

Mrs. THURMAN. If you look into that article, what is interesting about it—we have just heard about what happened in Canada and the kind of problems that we had with meat inspectors, which I also might add was in the New York Times of May 31, 1991, and now this one is in March—guess where those cattle are coming from?

Mrs. COLLINS of Illinois. Where?

Mrs. THURMAN. Mexico.

Mrs. COLLINS of Illinois. Mexico.

Mr. Speaker, let me say I certainly thank the gentleman from Michigan [Mr. BONIOR] and let me say finally that free trade has to be accompanied by sufficient guarantees that health and safety standards our country has established are not in any way compromised. Until those guarantees are firmly put in place, the benefits of free trade simply would have to be postponed.

I thank the gentleman for yielding.

I thank my colleague for yielding.

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Mr. BONIOR. Mr. Speaker, I thank my colleague for her leadership in her committee and in her chairmanship of the subcommittee dealing with these important issues that affect the American consumer and the American worker. She has added immensely to the discussion tonight, and I appreciate her staying late and discussing this issue with us.

Mrs. THURMAN. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Florida.

Mrs. THURMAN. Mr. Speaker, we have done a lot of work on this, and I have to say that today we had a three-hour hearing with a panel of about two different groups of people specifically working, one was on food safety and one was on the future of agriculture in this country.

I think there is a very important point that needs to be made that was made at this particular hearing. The gentleman kind of got on it, and that was the issue of the trade barrier and

the fact that another country could come in and say that our standards, our food safety standards, the ones that you all have passed over the last several years to protect the consumer, the ones who will be eating this food, but what was interesting and I did not know this was that, that is the final word, that there is an administrative order or something that if cannot go to the Federal courts, it cannot go to the Supreme Court. This is it. They make the final decision.

Mrs. COLLINS of Illinois. That is my understanding and, of course, in a system like ours it is two votes against one and they prevail, and that scares the daylights out of me.

Mrs. THURMAN. And that is something that has not, I do not believe, been brought up, and the gentlewoman is right to emphasize it again so that the American people will know, so that we will all understand that we would be in jeopardy if this were to pass with those kinds of open-ended questions that have not been resolved yet.

Let me make sure that we know this, because I was amazed when I heard this just this afternoon, because I really did not realize that.

So the 17 pesticides that we heard about that Mexico, for example, uses or other areas use, one of them being DDT, which we have long done away with because of its effects; so if they wanted to bring in a vegetable that had one of these pesticides and we asked them not to or said no, we do not want them in here because it could be a health risk to our consumers, and they said, "Oh, no, you can't do that because that is a trade barrier," and they went to this particular mediation panel and the mediation panel made the decision that in fact they could, then they would be putting the pressure on us to change our laws because of this being a barrier.

Mrs. COLLINS of Illinois. They say it would be a trade barrier and we would be in the position of having to prove that it would be consistent with what we had done in the past, but in the final analysis, the final vote, it would still be two votes against one.

Mrs. THURMAN. No matter what the harm to the consumer is.

Mr. BONIOR. Mr. Speaker, that is a very important point. I thank my colleagues.

Mr. Speaker, I yield to my colleague, the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Speaker, I thank the gentleman from Michigan [Mr. BONIOR] for yielding to me.

I listened very attentively to the words of my colleague, the gentleman from Michigan, on the issue of NAFTA and jobs, and I can tell you that those jobs rang very true for me.

During the last few months, my constituents have thrown the same four letter word at me again and again, j-o-

b-s, jobs. I hear it from the thousands of men and women who have been laid off, as well as the small business owners faced with suddenly precarious cash flows, family farmers putting for sale signs on their acreage, idle construction workers are also part of the course.

By itself, that single wrenching cry would be enough to make me opposed to the North American Free-Trade Agreement because of the immediate widespread impact it will have on millions of American families.

When you add the severe environmental consequences that NAFTA accepts, this becomes a treaty that I cannot support and I do not think that any reasonable person could support.

Global business follows the inexorable logic of the balance sheets and shifts in production to Mexico where average manufacturing wages are \$2 an hour or less and employee benefits minimal are inevitable for scores of industries if this treaty is adopted. Lower costs stemming from weak Mexican environmental requirements also weigh in heavily in the stark profit and loss equation.

There was an ad that appeared in many periodicals recently that talks about the fact that in the part of Mexico, the Yucatan, you can employ workers for less than a dollar an hour, and heads up by quoting a person who is lamenting the fact, apparently, "I can't find good loyal workers, for a dollar an hour within a thousand miles of here." It is almost as if there is something wrong with society that you cannot find workers who are willing to work for a dollar an hour or less.

We talk about the exploitation of labor. This NAFTA agreement is replete with opportunities for the exploitation of labor, both in Mexico and here in the United States as well.

For the relocation that will result, the relocation of jobs will produce a flood of low-cost imports that will devastate many of the small and mid-size companies that are the mainstays of local United States economies, companies that do not have the resources or the inclination to shift production to Mexican plants, even though there are disputes about how great the impacts will be and whether or not new yet to be defined business growth may possibly somehow take up the slack.

What we hear instead is that we should look past the short-term pain and appreciate the strategic advantages that NAFTA supposedly would bring. The magic of an unregulated free trade region, it is said, will surely transform our hemisphere to a natural division of complimentary economic spheres which will be of benefit to all.

Lose a little manufacturing in the United States? They say, "Don't worry. It won't be the high end value added industries that we want to encourage."

Low wages in Mexico and lack of environmental regulation will not be that

attractive because the skilled labor pool is not there.

And of, of course, they say as Mexicans still do develop, their wages will rise to parity with those of the United States.

Well, I do not think anybody is going to believe that.

The fact is that major multinational companies have already successfully sited high technology plants in Mexico that produce world class quality products, cars with advanced electronics, and wages have not risen to levels anywhere near to what skilled workers in the United States can command.

Parity may well occur down the line, but I am afraid it will come as U.S. wages drop to meet those of Mexican workers.

Concern about the festering environmental cancer that has exploded at the border under existing policies? "Don't worry," they tell us. NAFTA includes agreements that say you cannot lower your environmental standards anymore just to attract new business, and the two countries have agreed to establish a joint environmental commission that can draw attention to any problem, but will not have too heavy a practical impact on business.

Anyway, NAFTA proponents contend, modern business investments will be cleaner than what is there already.

Naturally, though, you cannot ask Mexico to close down existing businesses or change their regulations to match ours.

Well, the new side agreements on the environment are silent on the subject of who will pay for the disastrous environmental degradation that the current free trade zone has spawned on the United States-Mexican border.

Hardly an inspiring prototype.

It is reassuring to know that U.S. States cannot gut their environmental laws in a desperate attempt to remain competitive, though, is it?

Echos of the discredited eighties battle cry of "hands off business" are all too loud when you look closely at the environmental impact of NAFTA.

"Don't worry," they say. "Take the long view. Free trade and the natural democracy of commerce will somehow make our economy better than it is today."

Well, I have got a four-letter word ready for those arguments, that is jobs.

The United States has had the opportunity to see the beneficial effects of that natural free market approach to our own economy and we will be paying the price for that opportunity for generations.

I am not willing to give that jingle another round of air play, simply because it has an impressive track record of taking in and deceiving the public.

There are enough serious problems facing American workers already. All across the country communities are faced with inescapable dislocations

that the post cold war has brought. Base closings are enormously painful, if inevitable. The defense industry, too, has had to face up to a world where it has a significantly reduced import.

Businesses have found that in order to compete they have had to pare away layer upon layer of middle management workers. Blue collar workers have also become surplus on a wide scale, replaced by temporary workers and overtime for smaller work forces.

The wash of technological revolution has become a flood tide of change, transforming industries, jobs and expectations alike, and the list goes on.

Those are the realities we have to deal with. Finding a way to successfully meet those challenges will not be easy and it will not be quick.

NAFTA is different. This is a quagmire that we can step away from and we can step away from it now before we begin to sink into its destructive embrace.

I am going to vote against NAFTA because I am listening to the voices of my constituents and their urgent demands for positive steps to protect their job opportunities and the environment in which they live and raise their families.

The cost of the free trade envisioned by this treaty is too high to impose on this and future generations of Americans in both human terms and in environmental terms.

I think that anyone who has the opportunity to examine this treaty and its implications both on the people on the northern side of the border as well as those on the south will reject it as disastrous for both economies and for workers in both countries.

□ 1950

Mr. BONIOR. Mr. Speaker, I thank my colleague from New York for his eloquent statement. He has hit this right on the head of the nail. The people on both sides of the border reject this. It is just the corporate elite in this country and the journalistic elite that are pushing this, many of whom are interchangeable in terms of directorships, in terms of influencing each other's businesses, and it is important for us to stand up and make it very clear for the American people what this will do. We will lose at least a generation of workers in this country who will become expendable, as the gentleman has pointed out, and to assist them, which will not improve the lot of the people which will be the beneficiaries of the jobs that have moved south of the border. That is really the tragedy of all of this, that every worker loses, and I ask my colleagues to seriously look at this treaty specifically because it is not in the best interests of America or our constituencies. It may be in the best interests of those who are creaming the top: investors, the Wall Street folks, the corporate elite. But it is not in the

best interests of working people in this country.

I yield to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, tonight we are talking about NAFTA and its effect on agriculture. Where I come from, up in my neck of the woods of Michigan, northern Michigan, to us agriculture means trees, forest products and timber. Much of the forest products industry, like the auto industry, believe in favor of NAFTA because they believe they will be able to take advantage of cheap Mexican labor at \$1 an hour. What they want us to do is cut down our trees, our natural resources, and send them down to Mexico to make cabinets, doors, windows, and yes, even paper. Even the New York Times could buy paper made with Mexican labor at \$1 an hour.

We look at what has happened in southern California since 1988. Cabinet-makers, mill men, and furniture-makers have reported, 1,175 jobs have been lost to Mexico based on cheap labor. How did all this start? About 7 years ago Louisiana Pacific, a timber processing company, moved its operations to Ensenada, Mexico, in Baja California. With the assistance of the Mexican Government they built a lumber manufacturing facility. Louisiana Pacific began shipping rough-cut redwoods down the coast from California, processing and packaging cut stock redwood lumber and import it back to the United States. The mobility of the timber industry was never envisioned before Louisiana Pacific made this move, and the mobility of the paper industry is also not being envisioned right now.

So, Mr. Speaker, I think it is important that tonight we sound the alarm of all of the agricultural products, especially timber.

Paper mills located in my area, northern Michigan, would be closed down, and right now are being built because it is close to the timber supply, but if the paper mills move to Mexico for cheap Mexican labor, leaving northern Michigan workers behind, the plants would move to Mexico, they would not use the timber that is harvested in northern Michigan. Most likely, Mr. Speaker, timber from California and Mexico would be used in the processing plants and then exported back to the United States in finished products.

Manufacturing of doors: The Midwest, including Michigan and Wisconsin, depends heavily on veneer. Veneer is an outer skin of the door that is glued over a hollow core. What is important is that most of the veneer is made in Michigan and Wisconsin. Much of that timber comes from our area, and also Canada, but it can be manufactured throughout the Midwest.

But what would happen under NAFTA? Under NAFTA, Mr. Speaker,

the veneers that were once manufactured in the Midwest would again be moved to Mexico to take advantage of the cheap labor. Once again that takes jobs away from the American workers and the workers in Michigan and Wisconsin.

Pulp and paper industry, my largest employer. In the Northwest chip plants are older and are in decline. Over the next 5 to 7 years the older mills will probably be forced to close. The question then arises: Where will the capacity come from, and the possibility is Mexico. There are already wood chip manufacturing plants located in Mexico. In fact, the Japanese Government has begun importing large amounts of unprocessed timber and wood chips from Mexico. If wood chip processing is easily moved to Mexico, pulp and paper processing can also be moved easily, very easily, south of the border.

Another way for the Japanese Government to exploit our timber market would be to take advantage of the NAFTA agreement and use the Mexican Government as a conduit to export our unprocessed timber to Japan to be processed by their workers. Rail shipments could move timber from the Midwest to Mexico and use Mexican labor to process the timber and export it back here to the United States.

The window manufacturing industry relies heavily on the forest products. They will look to the low labor standards in Mexico because of the high cost of manufacturing windows, but they will have access to all of our markets. They will take our raw materials, put them into cheap labor markets and import it back at a high price to American workers.

So, Mr. Speaker, tonight I sound an alarm as to NAFTA not just because of the initial assault on our timber and forest products industry which has already begun, but because it represents a further degradation of our human resources and, finally, our natural resources, the forest products industry.

Mr. BONIOR. Mr. Speaker, I would like to pose a question now to the gentleman from Florida [Mr. BILIRAKIS].

Last night the gentleman from Florida [Mr. BILIRAKIS] came and asked me for I do not know, 20 or 25 minutes of the time that I and the gentlewoman from Connecticut [Ms. DELAURO] had because he wanted to talk about Cyprus, and I agreed to let him have it even though I had, I think, seven or eight people that were waiting. I entered into an unfortunate situation this evening where I have two or three other people who would like to speak. I would ask the gentleman for the same courtesy, and then we will make sure, if it is all right with the gentleman from Oregon, that the gentleman will have the time that he needs to make up the hour.

Mr. BILIRAKIS. Mr. Speaker, if the gentleman would yield, how much time are we talking about?

Mr. BONIOR. I think we can probably finish this in 15 or 20 minutes.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield for just a moment?

Mr. BONIOR. Yes.

Mr. BURTON of Indiana. I certainly have no objection, nor do I have standing to make an objection, but I would just note that a number of us have been waiting because the majority leader a while ago wanted to ask a question about a statement he made, and we asked the gentleman from Florida [Mr. BILIRAKIS] to come back here so we could illuminate the issue, and the gentleman in the well would not yield to us for us to ask—

Mr. BONIOR. I would have yielded except for this dilemma I had. I yielded yesterday to the gentleman from Florida. He took about a half hour of our time, and I was pleased to do it, and I have got a similar situation tonight, and I will be sure you get your hour. I would just like to accommodate two or three other people.

Mr. DELAY. Mr. Speaker, if the whip will agree to a unanimous consent request to switch the gentleman's time with mine, I will honor the whip's request and give him an additional 15 or 20 minutes, how much ever time he needs, out of my time.

Mr. BILIRAKIS. Mr. Speaker, my purpose is to do a unanimous consent request, so by all means we will go along with that as long as there is agreement that they are not going to object to the unanimous consent request.

Mr. BONIOR. As far as I am concerned, I will not object, and I do not think any of my colleagues will.

Mr. BILIRAKIS. So, we are talking about 15 to 20 minutes.

The SPEAKER pro tempore (Mr. FINGERHUT). Will the gentleman state the unanimous-consent request?

Mr. BILIRAKIS. Mr. Speaker, is it in order?

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. BONIOR] has expired. Under a previous order of the House the gentleman from Florida [Mr. BILIRAKIS] is next recognized.

ORDER OF BUSINESS

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent at this point that the gentleman from Michigan [Mr. BONIOR] might have an additional 20 minutes of my special order.

As has been indicated to me, the gentleman will not need the full hour, and then, after that 20 minutes has expired, I ask unanimous consent that the remainder of the time resulting from the transfer with the gentleman from Texas [Mr. DELAY], that Mr. DELAY then control the remainder of the time.

Mr. BONIOR. And if the gentleman wishes, the gentleman from Oregon

[Mr. KOPETSKI] would yield that 20 minutes that the gentleman would be giving from his time.

Mr. BILIRAKIS. The suggestion is that I might transfer all of our time to the gentleman from Texas [Mr. DELAY], and then Mr. DELAY will yield the time to the gentleman. That serves the same purpose.

Mr. Speaker, I make that as a unanimous-consent request at this time.

The SPEAKER pro tempore. The gentleman has made a unanimous-consent request to transfer his hour of allotted time to the gentleman from Texas [Mr. DELAY].

Is there objection to the request of the gentleman from Florida?

There was no objection.

DISCUSSION OF NAFTA

The SPEAKER pro tempore. Without objection, the gentleman from Texas [Mr. DELAY] is recognized for 60 minutes.

Mr. DELAY. Mr. Speaker, as agreed to I yield to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank my colleagues, the gentleman from Texas [Mr. DELAY] and the gentleman from Florida [Mr. BILIRAKIS] for their courtesies.

I yield now to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. I thank all of my colleagues, I think.

Today, earlier, when the gentlewoman from Illinois [Mrs. COLLINS] was speaking of the work that she has done on her subcommittee specifically related to food safety, I just wanted to add another point that was actually given to us today at this hearing that I was talking to my colleagues about earlier which was by the Public Citizen's Congress Watch, and one of the things that was interesting, and specifically when she talked about the Canadian problem, and the whistle-blowing, and the inspections, the meat inspections, they again in a GAO report note that the United States has, in addition to its regular sampling program, a special program to test Mexican product for pesticide residues. This program is implemented in response to the increasing volume of food imported from Mexico and the growing concerns about the safety of that food.

□ 2000

NAFTA could eliminate this essential testing program as a trade barrier which is what we referred to it earlier, as happened with meat inspection after the implementation of the 1988 Free-Trade Agreement between the United States and Canada. So I think that emphasizes even more so the point that the gentlewoman from Illinois was eloquently letting us know, that there could be a threat to public health because of what we saw happen in Canada, and the same words being in the NAFTA Agreement.

Before coming to Congress I served in the Florida Senate for 10 years, and specifically in that 10 years served on the Florida Agriculture Committee, and, more importantly, served as the chairman of the Agriculture Committee in Florida. I have to tell you this is not a new issue for us in Florida.

I can tell you as early as in the 1989, maybe even the 1988 session while we were there, that our Senate actually came out with a resolution to Congress suggesting that we please not pass NAFTA and put it on the fast track and do all of those things, because we understood what it meant to Florida's economy, understanding specifically that Florida, probably of all other States dealing with agriculture, is in direct competition because of the time that we grow our vegetables, how much the weather is alike, all of the things that would be there.

So what I thought I would do is it just happened to come out July 13 in the Miami Herald specifically that our Commissioner of Agriculture, who has been a very strong supporter of our work here in Congress and on Anti-NAFTA, did a kind of question-answer myth kind of thing about what could happen in Florida agriculture.

I kind of want to put this in the RECORD because I think it is very important. But before I do that, I want to say what also a very good friend of mine from the Florida Department of Commerce said. He talks about the fact that he thinks that the environment with Mexico if passed would help because they have done comprehensive legislation, and that this would be an investment. But one of the things he says in here that really bothered me was, "Furthermore, Mexican officials say that all new incoming investment will have to meet these modern standards, complete with environmental impact statements." No exceptions, no exemptions.

Then you go right back to what we heard about the trade barrier issue. Who is going to decide that? It is going to make that doubly hard for the United States to have trade with them because they are going to make us do all of their environmental issues, but come back and tell us we cannot have the same from them. That just amazes me.

But let me just tell you how important Florida agriculture is. One of the myths that they say is that Florida will benefit from NAFTA with increased activity through Florida's ports. We think that that, or what he says is we are being asked to trade a sure thing, Florida agriculture, on a bet that its losses will be offset by new import-export activity.

Florida agriculture produces more than \$6 billion worth a year in cash receipts. Related industries, like food packing, processing, and transportation, makes it well over \$20 billion

for the State of Florida. It will cost us, we guess, about a third of that revenue. But, more importantly, it is going to cost us 50,000 jobs. That is a lot for an economy in a time like this.

They say NAFTA will be phased in so slowly that Florida farmers will have time to adjust. Current tariffs are low, crucial tariffs on fresh watermelons, grapefruit, cucumbers, tomatoes, oranges, and other crops. These crops generate nearly \$700 million in sales. They will be lifted immediately. So will others like some of the tariffs on peppers and squash where we now generate about \$74 million in revenue. These actual tariffs will be removed in 5 years.

These tariffs level the playing field and allow Florida farmers to compete. Without them we estimate that a third of our \$6 billion agriculture industry will be lost. The phaseout schedules are complicated, and we know that they are going to spell danger for Florida agriculture.

Removing the tariffs will not hurt Florida farmers that much. That is another myth. Mexican farmers enjoy free or subsidized land. They use child labor. They do not pay a minimum wage or worker's compensation benefits. Their officials do not enforce environmental and sanitation requirements that add to the cost of production for Florida farmers.

I might add my little edit in there, it is also protection for the consumer of these products. And the modest tariffs placed on Mexico imports somewhat level the playing field. So we feel this is extremely important in this issue.

They say that Mexico can produce food more cheaply. NAFTA will lower food prices. I am going to paraphrase this.

Hurricane Andrew wiped out our tropical fruit industry, specifically to give you an example, in the lime industry. Boxes of limes from Mexico at that time were \$8. After Hurricane Andrew they rose to \$25 a box. We could show you similarities in tomatoes and every other crop that is grown in Florida when there has been a problem, for whatever reason, whether it is weather or whatever.

Mr. BONIOR. That is why I stopped drinking gin and tonics.

Mrs. THURMAN. Is that the reason?

But I want to put a basic feeling that I have in this issue. And I hope that we have all learned something in this country from this. There was an interesting speaker, I guess the former Governor of North Dakota today, and he kind of related this same issue as we did with energy. And we lost the war on energy. We have lost the issue of gas. We now have to export x amount to just keep our country running.

Please, and I beg this House to understand this, and remembering the history of this country, people came here because they could not have food. They

were starving. They were coming from all over the world to be here because of our natural resources, our ability to grow food.

Please let us not let our citizens become dependent again on what is so basic to this country, and that is our food.

Mr. BONIOR. And our agricultural sector has been the cornerstone of the American economy for our history. It is the envy of the world. And here we are going to let regulation, pesticides, pricing, everything just undermine it. It is unbelievable. Fifty thousand jobs in Florida, and you can multiply that across the country from Iowa, Minnesota, and Michigan, as the gentleman from Michigan [Mr. STUPAK] has indicated. It is going to have a devastating effect. People have to realize what is at stake here.

I yield to my colleague from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. If the gentleman would yield just 30 seconds, it is not just with Mexico in agriculture that is a problem. It is also with Canada, particularly Canadian and American wheat.

NAFTA, in March Mickey Kantor, our Trade Representative, testified before the Senate Finance Committee on NAFTA. Senator DASCHLE of South Dakota made a statement and asked Trade Representative Kantor for a response. He said, "NAFTA would allow the Canadians to lock in their wheat subsidies and make it impossible for the United States to do anything about that lesser priced wheat."

And Kantor said simply, he threw up his arms and said, "We don't have a lot of options with regard to Canadian wheat."

That is the way that NAFTA is negotiating away our rights, negotiating away our ability to grow food, as the gentlewoman from Florida [Mrs. THURMAN] has said. It is one thing after another, with either the Canadians or the Mexicans on agriculture, that is going to devastate, as the gentleman from Michigan [Mr. STUPAK] said, our industrial economy and our agricultural economy. Whether it is wheat in the North or whether it is citrus in the South.

Mrs. THURMAN. I guess my biggest concern here, and I just hope that we get this point across, is that I do not want American citizens to become dependent on a foreign country for our food supply. I cannot emphasize that more, and that is what we are headed to. Because they can out compete us with all of these.

Mr. BONIOR. I thank my colleague for her contribution this evening. She has been a leader on this issue of agriculture and food safety and jobs for Floridians. I thank her for sharing her thoughts and views this evening. She has been a real champion on this issue.

I yield now to my distinguished colleague from Toledo, Ohio, Ms. KAPTUR,

who has been one of the leaders in this Congress to expose this fraudulent treaty. She is going to speak on an issue I think is important to all of us.

The gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. I thank the gentleman for yielding and join my colleagues this evening to continue a discussion very important to our country, not just theoretical, but very practical.

I would like to join with the gentlewoman from Florida [Mrs. THURMAN] whose concerns are agricultural as well as my own, which are both agricultural and industrial, and with other Members that are here, the gentleman from Ohio [Mr. BROWN], the gentleman from Michigan [Mr. STUPAK], and the gentleman from New Jersey [Mr. PALLONE].

□ 2010

Tonight I really want to tell a compelling story. We will be bringing these very real stories out over the next several weeks.

Once upon a time, there was a company called Trico which made windshield wipers like this one that I took off my Chevy Monte Carlo in Toledo, OH, and brought here to Washington.

Trico had a factory in Buffalo, NY, where they employed 2,100 hardworking Americans. These workers earned \$11 an hour, enough to support their families, educate their children and have something left over for retirement.

In 1987, Trico decided to move that factory to Matamoros, Mexico, moved out of New York, moved south of Brownsville, TX, down to Mexico.

Let me emphasize that when they did that, they then paid their Mexican workers not \$11 an hour but \$11 a day. They invested millions of dollars in building a new factory in Matamoros, and they hired 2,000 low-wage Mexican workers.

At the same time, they threw out of work 1,100 Americans who worked in Buffalo. Those families and their community paid the price of broken lives, broken homes and broken dreams.

I felt all along, through these discussions about the proposed treaty with Mexico and Canada, that it is as though there is an iron curtain that separates the United States and Mexico. We have to pull that curtain apart in order for the American public to really see what has happened.

Here tonight, I brought a picture I took myself down in Matamoros, Mexico, near the intersection of Ohio and Michigan Avenues in the FINSA Industrial Park in Matamoros.

This is the new Trico plant. It is so large, I had to put it up on two easels here tonight.

Here is a windshield wiper blade that I am holding, which is right over the main door of their company. It was very interesting for me to talk to the Members of Congress from the Buffalo

area, the gentleman from New York, Congressman LAFALCE and Congressman JACK QUINN, about the personal stories of families in Buffalo who had lost their jobs and, then, to look down here in Mexico and see what this major corporation had done.

I think the moral of this story, and there are 2,000 more United States companies, that, under the maquiladora program, have fled south of that curtain into Mexico. And we know very little, the American public knows very little about what is going on down there. But these policies have cost thousands and thousands of jobs here in our country, and I do not think we should expand on the mistakes of the past.

I just want to say this evening, I commend the gentleman, a true leader, not just in this Congress but in our country, the gentleman from Michigan, DAVE BONIOR, for permitting us to bring some of this information forward.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. What did you say these streets were in front of this plant?

Ms. KAPTUR. This intersection is called Ohio and Michigan Avenues.

Mr. STUPAK. Is that after the States they steal the jobs from?

Ms. KAPTUR. I think it is after the States they steal the jobs from, because if you look at this map, and you look at our region of the country, Ohio, Michigan, Indiana, Illinois, Wisconsin, Pennsylvania.

Mr. BONIOR. And California. Lots of jobs in California as well.

Mr. DREIER. Absolutely right.

Ms. KAPTUR. And these are only the 125 top cities from which jobs have. I am only talking about one company in one city that is located. There are over 2,000 such stories that we need to tell.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank the gentleman for yielding to me.

I would simply like to make the following point. My friend from Toledo is absolutely right. There has been a tremendous flight of United States businesses to Mexico over the past several years.

The fact of the matter is, I believe the implementation of the North American Free-Trade Agreement is the best way to counter that move because many of those businesses that have moved to Mexico have done so for one basic reason: To take advantage of the 88 million consumers there as a market to utilize.

In fact, 70 percent of the business that is done by those operations that are American-owned that are in Mexico, they sell within Mexico. They do not stage from Mexico and sell back to the United States.

So I think you are absolutely right. Everything that you have said is cor-

rect. The best way to respond to that is for us to implement a North American Free-Trade Agreement.

Ms. KAPTUR. I would be very pleased to respond to that, because the sad fact is that none of the workers who work in this plant can afford to buy a car that has this windshield wiper on it. In fact, there are no parking lots around these plants because every single windshield wiper blade that is made there is put on a vehicle that comes back to the United States of America.

Mexican consumers are not buying these products. Every single thing that is manufactured in that plant comes back to the United States, and those consumers down there cannot afford to buy these products.

I think the gentleman is thinking that perhaps there is one theory that is operating here, but really what is happening is the loss of U.S. plants down there, taking advantage of cheap labor and then backdooring and transshipping those goods back into the United States.

Mr. DREIER. They will not need to do it any longer once we provide a zero tariff so they can sell into Mexico from the United States.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I would like to thank our distinguished majority whip for giving me this opportunity to speak about an issue with severe implications for our Nation's economic health, and to salute him for his leadership in urging a sensible and cautious approach on the North American Free Trade Agreement. We speak tonight about the future of jobs in manufacturing and it is clear that the effects of the NAFTA will be disastrous in this area.

Like many of the other Members speaking tonight—and like the constituents whom I talk to in my central New Jersey district every week—I don't understand why we should be in such a rush to enact an agreement that is so full of loopholes, plagued by so many inequities and silent on so many crucial issues. My constituents ask me, why can't we put the brakes on this process? Why can't we just go back to the drawing board and come up with a framework that will protect U.S. interests and respect American law? The answer, of course, is that we can slow this process down, we can renegotiate, we can quit while we're ahead. I am joining with many of my colleagues in urging the President to hold off on submitting NAFTA implementing legislation, at least until we address some of our pressing domestic concerns such as health care reform. I hope that the President will heed this request, since I believe it will aid the administration in enacting its most important reform programs.

In the longer run, I would like to call on the administration to end the current futile exercise of negotiating supplemental accords with our trading partners on the grounds that the NAFTA is basically not fixable, and go back to square one and negotiate the accord. President Clinton ran on a platform of support in principle for free trade with our North American neighbors, but with grave reservations about how the specific provisions on labor standards and the environment would affect us in practice. Our Trade Representative, Mr. Kantor, has made a good faith effort to address some of these concerns, but it is now abundantly clear that this tinkering at the margins will not do any good. The fact is, severe problems written right into the Bush-Mulroney-Salinas NAFTA can't be improved or "classified" with supplemental deals, since it is not clear what weight the supplemental will have or how we could reconcile supplemental provisions that contradict the main agreement.

On the issue of import surges, the negotiations thus far have been a complete disappointment and I do not see any indications that this issue will be seriously pursued. Without protection against import surges, thousands of good-paying manufacturing jobs will be lost, particularly in the automotive industry. Companies operating in the United States would have too much incentive to shift production to Mexico to take advantage of the enormous wage differential between the two countries. For example, under the terms signed by President Bush, Mexico and Canada are allowed to maintain protections for their domestic automotive industries, through local sourcing requirements and incentives, but we have no comparable protections. As a matter of simple equity, the U.S. negotiators should insist on similar protections to make sure that this nation's automotive production and employment is not undermined by import surges.

On the issue of labor rights, the U.S. negotiators have discussed the notion of a supplemental accord on labor rights and standards. Unfortunately, these discussions seem to lead only to a commitment to enforce existing laws—in other words, there is no means to ensure that labor standards will be raised throughout North America. Much of the rhetoric surrounding the NAFTA has suggested that such basic rights as minimum wage, health and safety guarantees, free association and collective bargaining would continue to be protected in the United States and Canada, while being vastly improved in Mexico. This goal remains a far off dream under the proposals advanced by the U.S. team in the supplemental negotiations. And without such guarantees, it will be simply too easy and too cheap, to export jobs to Mexico

where lower labor standards and prevailing wages will keep production costs down.

The supplementals also go too easy on enforcing labor rights and standards. Using trade sanctions to enforce labor standards would be meaningful enforcement mechanism. Instead, what we have is a provision to use trade sanctions only when there has been a "persistent and unjustifiable pattern of non-enforcement," a standard so limited that it seems unlikely ever to be invoked. The original NAFTA has tough enforcement measures for violations of intellectual property rights. Why not the same tough standards for violations of labor rights? Again, one has to conclude that ongoing lax standards in Mexico will mean manufacturing jobs going south of the border.

Mr. Speaker, I know that many of my colleagues have cited the negative impact of NAFTA on the automobile manufacturing industry, and this is certainly an important concern in my district where we have a Ford assembly plant in Edison, N.J. But there are other key manufacturing sectors that are also severely threatened by NAFTA. One example I would like to cite here is the home appliance manufacturing industry. This so-called free trade agreement is, as anyone who has looked at its provisions knows, in fact riddled with all kinds of tariff disparities. The appliance manufacturing provisions are one of the most egregious examples. Currently one of our most successful industries, the home appliance industry would immediately eliminate U.S. tariffs on appliances imported from Mexico, while allowing Mexico a full decade to phase out its 20 percent tariffs on appliances manufactured in the United States. Perhaps the Mexican negotiators deserve credit for doing an effective job of giving Mexican-based plants such a competitive advantage. Clearly, negotiators on our side dropped the ball. Americans who have been sold on the idea of NAFTA as a free trade agreement to level the playing field would be shocked to learn that such basic inequities are written right into the agreement.

In closing, Mr. Speaker, I would like to draw attention to a detailed study conducted by the Washington-based Manufacturing Policy Project found that 173,000 manufacturing jobs in New Jersey could be vulnerable under the agreement—this at a time when our unemployment rate is already running higher than the national average. The ripple effect of this job loss, which could cause a drop in payroll of as much as a quarter of a trillion dollars nationwide, would be disastrous.

Mr. Speaker, it has become depressingly clear that NAFTA will facilitate the export of jobs south, while doing nothing to improve the lot of the Mexican workers. At this time of major dislocations in our domestic economy and

dramatic transitions in our place in the world economy, we should be addressing the challenges of reinvestment and retraining at home. Instead, under the lofty ideals of free trade and a more unified North American common market, we could end up with a decline in the living standards that we in the United States have worked so hard to establish, little or no improvement for the standard of living in Mexico and a steady deterioration of basic human, environmental and workers rights throughout this continent. I don't think this is the type of change that the American people have been seeking.

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In closing, Mr. Speaker, I just would like to draw attention to a study I know that has already been mentioned by the Washington-based manufacturing policy project. It found that in my home State of New Jersey, 173,000 manufacturing jobs will be vulnerable under NAFTA, this at a time when our unemployment rate is already running higher than the national average.

The ripple effect of this job loss, which would cause a drop in payroll as much as a quarter of a trillion dollars nationwide, would be disastrous. I do not really think this is the type of change that the American people are seeking.

For this reason, I really feel that what the majority whip and the others are doing tonight is so important. I hope we continue.

Mr. BONIOR. I appreciate the contribution of my friend, the gentleman from New Jersey, and his sensitivity to the jobs of the workers of the great Garden State. We appreciate your contribution, and we look forward to working with you as we move toward a decision on this issue.

I yield to the gentlewoman from New York [Ms. VELAZQUEZ] for a comment on this issue.

Ms. VELAZQUEZ. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I want to begin by thanking the distinguished majority whip, Mr. BONIOR, for calling this special order and, more importantly, for his notable leadership on this issue.

I want to address two recent developments that have dealt the North American Free-Trade Agreement deadly and well deserved blows. First, a few weeks ago, U.S. District Judge Charles Richey ruled in favor of requiring an environmental impact statement for NAFTA because of the serious environmental questions the treaty raises.

In his decision, Judge Richey stated that, "an impact statement is essential for providing Congress and the public with the information needed to assess the present and future environmental consequences of NAFTA." This decision is monumental for its requirement

of a much-needed study to assess the effects of NAFTA on the air we breathe, the water we drink, and the land we live on.

However, these prudent words also highlight one of the most intriguing factors about NAFTA; namely, that it is an enigma. This is a complex agreement, involving the complicated issue of international trade, which has been debated and argued by trade specialists and lawyers, but few Americans know exactly what the agreement contains and what it will do.

As a matter of fact, Judge Richey's words proved true shortly after his decision was announced. The New York Times recently reported that a poll revealed that "nearly half of all Americans have never even heard of the agreement." And I am afraid that those who have heard of the agreement, have heard the lies and inconsistencies promoted by a multimillion dollar advertising campaign paid by the pro-NAFTA lobby.

Mr. Speaker, how can this Government consider ratification of an unprecedented trade agreement that everyone agrees, opponents and proponents alike, will have a notable change in work conditions and economic production in this country without involving and informing those workers who will be most affected? The simple response is, it should not.

Mr. Speaker, I am certain that as the hard-working American public learns more about NAFTA, they will realize that this vampire of an agreement threatens to suck the blood, sweat, and wages of American workers. I am certain that as Americans learn more about this agreement, they will reject it outright and nail it shut in its coffin.

Again, I thank the gentleman from Michigan for calling this special order and for conducting this education session for the American public.

Mr. BONIOR. I thank my colleague, the gentlewoman from New York, for her passionate statement, and for her concern for the working people in her district and throughout this country. She is exactly right, this will suck out the life, blood, heart, and soul of the American working force, this agreement.

I just want to conclude by summing up in 2 minutes what we have heard tonight. A recent report has indicated that we could lose up to 40 percent of our jobs in textiles, in auto, in steel in this country if NAFTA goes through, 40 percent of these jobs. You can imagine what it will do to the areas that we are talking about: New York, Michigan, Ohio, New Jersey, Florida; devastation, devastation.

It is not just these jobs. When we lose jobs in these basic industries, we lose the grocery store, the gas station and attendant. We lose the infrastructure of a community.

Tonight we learned about agriculture and how many jobs it will cost and how much the food safety issue will be set back in terms of what the consumer movement and labor movement have done to make sure we have quality good food in this country, and the agricultural movement. I asked my colleagues tonight to look at this issue seriously.

If you are watching, let your Member of Congress know, let your Senator know how you feel on this issue. There is no more important issue that we will face in this Congress, perhaps with the exception of health care and reducing this budget deficit. Those two issues plus NAFTA make up what is core about this Congress.

If NAFTA goes through, I fear for our children's future, I fear for the economy of this country. If you feel passionately, as we do, about this issue, you can make a change. You can make the decision to stop this. There are a core of us in the Congress that feel deeply about this. We are strong in numbers. We are up against the people in the thousand dollar suits, the corporate elite, the Wall Street investors, the high-powered people in the media.

Stand with us so we can defeat this.

FULL DISCLOSURE IN THE POST OFFICE SCANDAL

Mr. DELAY. Mr. Speaker, I take this special order for many reasons, but to bring up the issue of the post office scandal that has hit this House. This started many years ago, but really started in earnest last year when we attempted to pass a resolution on the floor of this House that only failed by, I believe, correct me if I am wrong, about four votes, calling for full disclosure of all the materials and testimony taken by the Task Force on the Post Office, so that the American people can see for themselves what is going on in this House, who is responsible for the debacle at the post office.

I was disheartened to see, though, and let me parenthetically say that we did contact the majority leader's office just recently, just a while ago, letting him know that we would bring up his name and respond to the speech he gave.

It did outrage some of us that the majority leader came to the floor and gave an impassioned speech in support of his position of not full disclosure, and made some statements, and then would not yield to several of us that were on the floor that wanted to question the majority leader.

At the time the majority leader said there was no phone call by the Speaker to this U.S. attorney, if I am correct in quoting the majority leader. I might ask the gentleman the question, was there a phone call today between the Speaker and Janet Reno, the Attorney General, or anyone in the Justice Department regarding this matter of the post office scandal, subsequently followed by a letter from the acting U.S.

attorney requesting that the Speaker and the minority leader, BOB MICHEL, not pursue this because it may jeopardize the prosecution of criminal action by those being investigated and involved in the post office affair.

What really concerns me here is, No. 1, that they are hiding behind the issue of "we are going to mess up the prosecution." I am no lawyer in this, but I can tell the Members that, first off, all testimony taken by the task force were not the testimonies given with anything in return, like immunity or other protection, to the witnesses, so that will not harm the prosecution. Everyone that testified, except for one, the Postmaster, who just pled guilty to lying to Congress, was put under oath. All the other witnesses that testified before the task force did say, or were told at the time, that they had better tell the truth to Congress or they could be held in perjury.

In talking to former prosecutors that are now Members of the House and other lawyers, that has nothing to do, that will have nothing to do in jeopardizing the case of the prosecutor.

Secondly, all the material we are calling for is just plain old paper material that can be disclosed to the press and to the American people about what went on in that post office, vouchers and other paper that was generated. We feel, whether it was generated out of the U.S. attorney's office or came because of pressure from the Speaker and the Democrat leadership, whatever reason we got that letter, it was very convenient to get that letter at a time when we were about to offer a resolution on the floor calling for full disclosure of this matter.

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Now we are going to have that resolution brought to the floor tomorrow, and we are going to have a full debate and a vote on whether to disclose this matter to the American people.

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

Mr. DELAY. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding because I think he has framed the issue raised by the majority leader very well.

The majority leader came out and obviously read this letter with a great deal of vigor. It is obviously a part of their strategy now to attempt to prevent any resolution from being passed in the House by using this letter from the U.S. attorney.

The majority leader said in the course of his remarks that there had been no conversation between the U.S. attorney and the Speaker. I believe that to be absolutely correct. I think that direct statement is in fact a factual statement by the majority leader.

That was not the contention of this gentleman who raised the issue on the

floor before. What I said at the time was that officials at the Justice Department had talked to the Speaker prior to that letter being generated. I believe the conversation to have been one between the Attorney General and the Speaker, and that the letter was generated subsequent to that particular conversation.

So it is a matter of some semantics here, but they are fairly important semantics, because in fact a conversation took place relative to this subject between the Attorney General, and then all of a sudden we get this letter, which by evening becomes an intricate part of the strategy being used to stop the resolution from coming to the floor. I think that there is at least a prima facie case that there may be some conversations going on behind the scenes that are then reflected in the battle on the floor. And that is the reason why I think that there is some reason to exercise some caution about that letter, because as the gentleman has pointed out, and I think with good cause, the fact is that sitting in a room this afternoon the two of us, with people who were prosecutors, there was general agreement in the room that unless immunity was granted to the people who testified as a part of that process, there was nothing in those records that could jeopardize a prosecution. There was absolutely no immunity granted to anyone at any point during that particular proceeding, and so there is nothing there that can jeopardize a prosecution.

So, therefore, the contention that there is something that could jeopardize a prosecution does tend to be something that may be more of a political way of dealing with this issue on the House floor than it is a real way of assuring that a criminal prosecution goes forward.

I thank the gentleman for yielding.

Mr. DELAY. I yield to the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. I thank the gentleman for yielding.

I think this orchestration is continuing. I was on "Crossfire" this evening. One of the members of the Ways and Means Committee indicated to me that the Speaker in fact has promptly responded to the letter sent by the U.S. attorney saying that they would be willing to release documents to the U.S. attorney's office. Again, this was a Member who said this on television, that they would be willing to release these documents to the public once the U.S. attorney had gone through and picked out all of the information that they thought might be jeopardizing to a prosecution.

This seems to be very, very orchestrated. The letter from the U.S. attorney's office and the letter promptly back, that we have not seen, frankly do not know it for a certainty, only know it from anecdotal information from a

member of the leadership, so I think it was a very orchestrated thing. And as my colleague from Pennsylvania, Mr. WALKER, said, the three main players in the post office, Mr. Rota who admitted by pleading guilty that his testimony before the House Administration Committee was perjury, so we can discount that statement, and the other two main people in the post office pleaded the fifth. So we have no information from any of the three top officials. How can the remaining information be that serious in jeopardizing future prosecutions?

So I think there is a lot of smoke and mirrors going on here, a lot of delaying tactics, because we have a lot of very important legislation to do over the next couple of weeks, and they do not want this thing to be distracting from the business at hand, at least from their business at hand, while I think the public is demanding that this information come forward.

I would say one other thing, and maybe the gentleman from Indiana knows this. At least it is my understanding that in none of the transcripts of the House Administration hearings were names of Congressmen mentioned, so that any divulgence of this information would not tend to incriminate anyone, because my understanding is that no names were put forward.

Is that accurate? Does anybody have that information?

Mr. DELAY. Congressman A and Congressman B.

Mr. SANTORUM. What I am suggesting is even under the closed door hearings there were no names mentioned. So this in no way is going to further implicate anyone in this scandal by divulging this information.

Mr. DELAY. I might remind the gentleman that the Justice Department themselves released information that allowed the press to hook up, albeit maybe circumstantial, Congressman A and Congressman B with some vouchers that came out of the post office.

Mr. SANTORUM. It is leaving these people waving in the wind, and I think unjustifiably so. I mean, if there is this kind of an implication going on, I think it is in their best interests to clear their names, in a sense to make sure, because you know, I come from southeastern Pennsylvania, and one of the people implicated is a former Member who had an adjoining district to mine. I mean there are serious problems here with the way this is being handled by the U.S. attorney's office. If you want to talk about hanging people out to dry, this Congressman A and Congressman B is hanging Members out to dry, and implicating virtually everybody in this House with this taint of scandal.

I would like to comment on one additional thing. I think it is very important that the record is clear on the

consistent mentality of the leadership, the Democratic leadership of this House in dealing with any question about how they run this place. Any time a question is raised as to the way they administer this House of Representatives, it is a siege mentality. They bolt the doors, they push the furniture in front of the door, and you can pound away, and all you hear from behind the door is, "Nobody's home."

Well, there is somebody home. There is somebody home and the American people have a right to walk through those doors and find out what is going on in the people's House. And we should not accept little messages slid underneath the door saying, you know, we will give you this today, and, you know, we will spoon-feed you this the way we want to spin it. They tried it in the House bank scandal and it blew up in their face. You would think they would have learned a lesson. They tried it in the restaurant scandal, they tried it on the slush fund, and now they are trying it on this. And my guess is that they are going to try it on the Speaker's investment habits, and they are going to try it every step of the way to stonewall any question of impropriety when it is in their interest, long-term interest and short-term interest to just let the public know what they have a right to know, what is going on in the people's House.

Mr. DELAY. If I may, I was reminded by the gentleman from Pennsylvania that, Mr. Speaker, in order for good TV you always reiterate the issue. If I could just take a second, what we are talking about is almost 20 years of misuse of the post office.

There was found to be drug dealing by employees of the post office. There was found to be certain Members and certain staff taking campaign contribution checks to the post office and cashing those checks at the post office. There was found to be an exchange of stamps. I think the way it was was that you bought stamps with office supply money, and then went back to the post office and turned them in for cash. And there has always been allegations of covering up this entire operation, including the most recent operation, and that is what we are talking about here, is that we feel like there could possibly be a coverup here. We feel like that there could possibly be Congressmen that have been involved in this scandal, and there are a lot of questions out there that can be answered if we would open the doors and let the sunshine in, and let the American people see what is going on.

Mr. Speaker, I yield to the gentleman from Indiana, Mr. BURTON.

Mr. BURTON of Indiana. I am going to be very brief. But during the previous hour special order and discussion, debate, if you will, there were a lot of Members who were very indignant and said that we were accusing Members, unjustly, of trying to cover this up.

I would like to go back to the RECORD of July 22, 1 year ago tomorrow, July 22, 1992.

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House Resolution 519, introduced by the gentleman from North Carolina [Mr. ROSE], this resolution was a motion to table, kill, a privileged resolution introduced by the gentleman from California [Mr. THOMAS], which directed the ethics committee to conduct an investigation into confidentiality violations during the House Administration task force investigation.

This is a party-line vote. The Democrats stopped the gentleman from California [Mr. THOMAS] on a party-line vote from getting the ethics committee to conduct a full-fledged investigation into these violations.

Then right after that on July 22, 1992, 1 year ago tomorrow, House Resolution 520, the gentleman from Pennsylvania [Mr. WALKER], a motion was introduced by the gentleman from North Carolina [Mr. ROSE], to kill an amendment offered by the gentleman from Pennsylvania [Mr. WALKER], which directed the Committee on House Administration to make public all transcripts of proceedings of the task force leading to its final report.

That was defeated almost on a party-line vote, because they did not want that report to be made public.

And then 1 day later, 2 days from now, 1 year ago, House Resolution 526, after the gentleman from Pennsylvania [Mr. WALKER] took a privileged resolution directing the committee to make public all records, the gentleman from Wisconsin [Mr. KLECZKA], a Democrat, introduced a motion to kill the resolution, and adopted 223 to 196 on a close to party-line vote.

For anybody to say that they have not tried to keep a lid on this, to sweep it under the rug, is simply not paying attention to the record. All Americans have to do, all our colleagues have to do is look at the record, and they see there has been a clear attempt to cover this up.

Now we are on the verge of a major scandal. The press is not going to let this go away.

I say to my colleagues once more on both sides of the aisle, let us get this out in the open. Let us make it public and get it over with.

Mr. DELAY. For the sake of the institution.

I yield to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. I thank the gentleman very much for yielding.

I would like to comment on the letter that was sent over today by the Attorney General's Office, a Mr. J. Ramsey Johnson, allegedly after the Speaker of this House of Representatives of the U.S. Congress made a call to the Justice Department, sent this letter over, and if I could just quote

part of that letter where he asked that this information not be released and not be available to the American people.

The letter says:

After completing its review in July of last year, the congressional task force concluded that many of the materials that it had collected or generated, including deposition interview transcripts and tapes, ought to remain confidential.

So here is the U.S. Congress deciding that they want the investigation about themselves to be confidential. Well, I am a Member of the freshman class from Michigan. There are 114 of us, and I think every one of us wants to clean up Congress so this kind of situation is cleared up, cleaned up, and does not happen again.

Several other freshman Republicans decided to send back a letter to Janet Reno, Attorney General of the United States, and I would like to read that letter that we sent:

DEAR MADAM ATTORNEY GENERAL: We, the undersigned Freshmen Class Members of the 103d Congress, request that you personally take charge of the House Post Office investigation involving Members of the U.S. Congress.

It is important that the U.S. Department of Justice remain above the suspicion of politics in this matter. To withhold information from the American people and to delay possible criminal indictments of Members of Congress until after the conclusion of the conference on the reconciliation bill would send an alarming signal to the American people of possible collusion and political compromises within the Justice Department. The conference committee is writing the largest tax increase in history. There should be no conferees on that committee that will be under indictment for criminal misuse of tax dollars.

It is signed by 15 Members that were there this afternoon of our Republican freshman class.

You know, I am not personally interested in a \$10,000 fine or a \$50,000 fine.

It seems important that we do what is very important to make this a respectable body of the U.S. Government and a Congress that people can have confidence in, and that is to get everything on the table, look at it and decide how we are going to clean it up.

Mr. DELAY. I really appreciate the gentleman from Michigan and what he says, and I want to congratulate him along with other freshman Republicans, freshman Republicans, because I have heard not a word from freshman Democrats about this matter, that took it upon themselves even though they did not have the institutional knowledge of what was going on. They understood this was not good for the House, it was not good for the institution of the House, it was not good for the American people, and grasped this issue very quickly, learned what was going on, were absolutely astonished at what has been happening over the last 20 years in the post office of this House, and are joining all of us, in fact

leading the way to call for full disclosure of everything and all materials in this House.

I will be glad to yield to another very active freshman of the Republican conference who understands what an open and honest institution means to the people of this country.

Mr. HOEKSTRA. I thank my colleague, the gentleman from Texas, for yielding.

I think it is important to talk about what the chronology of events is. This started back on April 26, 1991, post office employee Edward Polk steals more than \$6,000 and flees to Puerto Rico; late June 1991, Speaker FOLEY, according to Ross' testimony, is informed of the thefts and the Democratic recommendation to formally transfer the investigation. It goes on and on for four pages of dates, different kinds of activities.

This week in the paper, former House Postmaster pleads guilty to helping lawmakers embezzle cash; former Postmaster for House pleads guilty in scandal. I mean, the stories go on and on and on.

We are now back on the front page.

What happened? Mr. Rota admits that he gave several House Members cash for postage vouchers during his two decades in the House. This is not an experience of 12 months or 24 months or one term of Congress. This is a process that has gone on for over two decades.

He pleaded guilty Monday to three misdemeanors and agreed to cooperate with Federal investigators. The Speaker of the House is quoted as saying, "Well, obviously I am surprised by the extent of them and distressed by them." The article goes on that almost exactly a year ago the House twice defeated GOP-sponsored amendments to release the investigative documents, 207 to 200. We almost got there in the last term of Congress, and I think tomorrow, hopefully with the help of the Democratic freshmen, we can get the full disclosure of what is going on in this institution.

Now, there is a lot of talk about we have got to get this other legislation behind us; we have got to get the reconciliation package; we are working on a lot of important bills.

There is nothing more important for this House to be working on, for the Members of this House to be working on, than restoring the trust of the people in the House of Representatives. This is the people's House, but only 19 percent of the people believe we are doing a good job. How can they trust us with the reconciliation package? How can they trust us to go after health care reform when we continue to have this cloud hanging over our heads?

You have been here longer than I have. What can we do and what can the American people do to help us get full exposure of these issues?

Mr. DELAY. Well, obviously as the gentleman knows, Mr. Speaker, this resolution is coming tomorrow, that, Mr. Speaker, we will be voting on that resolution tomorrow for full disclosure of all the materials that pertain to this affair, and, Mr. Speaker, I think the American people could call their Congressman to urge their Congressman to vote for the Michel resolution calling for full disclosure of the post office affair.

This is one way that the American people can demand openness and honesty and fairness in this House and demand that there will not be a partisan nature to this operation.

We are not here to destroy the institution. We are here to rebuild the institution from misuse and abuse by those that have been in power for over 40 years.

I yield to the gentleman.

Mr. HOEKSTRA. I cannot agree with the gentleman more. I am sure that over the next few days, and we have heard it before over the last few months, that you are here to destroy the institution by tearing it down, by pointing out its faults.

I can tell you within the Republican freshman class, the 48 new Members, we have one objective, and that is to build the integrity of this House, to clean the House, to build the integrity, to restore trust in this organization, and the only way to do it is to deal openly, honestly, and aggressively with issues like this so that the American people can come back and say finally, finally after two decades of these types of things, and, you know, it has been a pattern of one after another. It is time, I think, for a lot of reforms, but the first reform is to really aggressively deal with this issue and get it behind us as quickly as possible.

The first step is the step we are going to take tomorrow when hopefully this House will vote for full disclosure.

Mr. DELAY. I appreciate the remarks of the gentleman.

Does the gentleman have something on this issue?

Mr. SANTORUM. If the gentleman will yield, I just wanted to follow up on the gentleman's comment that, as a freshman Member, he is going to be told that he is here to try to tear down the institution.

As someone who has many battle scars from debates on this floor and from debates outside of this floor and people accusing him of trying to tear down the institution, this is a great institution.

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This is a great institution. This is the people's house, and it works its will in wondrous ways. But what goes on administratively in this House has really been a black eye to this institution in the American public's eye. And you do not, you do not solve that prob-

lem by just putting makeup over the black eye. You have to solve the problem by doing something positive, by going out there and defending the institution and saying, "Listen, we can police ourselves, we can open our doors, we will let the public know what is going on. We are not going to continue to fight to keep the power and to keep all the little perks and privileges closely held to the vest. We are going to let the public know."

As much and as bad as the post office was administered, not only from the reports of both the majority and the minority—that is apparent—and obviously, with eight convictions, it is very apparent—as bad as that was, the problem here really lies with the continued stonewalling and covering up, with the Speaker's office knowing fully 1 year, or almost 1 year, 10 months, 10 months they knew of the problems in the post office. For 10 months they stopped an investigation by the Capitol Police for at least 6 weeks, causing the resignation of the chief of the Capitol Police in the summer of 1991. And they held onto all of that information in the little sacred chamber back there. They did not let the Republicans know. Frankly, they did not let 99 percent of the Democrats know all of what was going on in the investigation by not only the Capitol Police but the Postal Service and the U.S. attorney's office, which was an ongoing investigation of corruption. And the practice has continued all during this time.

By the way, just to put it in context for the freshmen, this was going on in the midst of the House bank scandal. In the midst of the House bank scandal, this stonewalling is going on. They are stonewalling the disclosure of names on the bank scandal, at the same time they are hiding an ongoing investigation in the post office, that there was certain criminal activity occurring. It was not until one of the newspapers here in town published an article that any of us became aware of what was going on, and that was back in late January, early February of 1992.

That is how bad, that to me is almost the bigger crime. You can almost fathom that this post office was just a patronage, somewhat of a cesspool that was mismanaged and you had people who did not really know what was going on, it was poorly run, very bad management controls, and as a result things got out of hand.

OK, maybe we are guilty of bad management, fine. But when you have a deliberate, conscious coverup, which is exactly what was going on, withholding information from the Congress, both sides of the aisle, plus trying to scare the investigatory authorities away from the post office, when that happens, that is a serious problem in this House. That to me is much bigger, much bigger than the alleged activities, or actually certain activities of

what was going on in the post office. At what is the highest levels of the House of Representatives, we are holding back from the American public what was going on, that is a big problem.

Mr. DELAY. Very well put. I appreciate the gentleman from Pennsylvania, who is a stalwart on these issues, was a member of the Gang of Seven that pursued the bank scandal. We appreciate his efforts and understand that he is trying to rebuild this institution.

I will be glad to yield to the gentleman from California.

Mr. BAKER of California. I thank the gentleman for yielding.

Sometimes when you make omelettes, you have to break eggs. We are certainly not here to demean the beauty and historic character of this House. But we have been under a cloud of scandal for the last 3 or 4 years. We first had a book publishing scandal, then we rolled into a banking scandal, we had a post office scandal.

Mr. DELAY. We had a Speaker resign, if I may interrupt the gentleman.

Mr. BAKER of California. Right in the middle, one Speaker resigned.

Today, without even a vacancy in the speakership, you can see the rustling and the positioning and people actually announcing for a job that is not even vacant. So, we know there is more to come.

But I was amused by their coming here and trying to whitewash this situation, saying, "If you will just give us time, the truth will out." Well, the only reason that the truth will out is because their employee copped a plea to conspiracy and copped a plea that he had been lying and perjured himself in front of two investigative committees. And the two reports, the Republican report and the Democrat report, to which one of the chairman tonight on the Democratic side admitted that they did not know they were being lied to by their own employees. So, apparently, the two reports now are not worth the paper they are written on.

What we are asking, since this gentleman admitted there was a conspiracy—and he could not conspire with himself—that there were two Congressmen, John Doe's, named congressman A and congressman B involved, what we want to know is when are we going to get the truth? When is the public going to learn whether there was any wrongdoing in the House post office? When are the rest of us, the other 433 Members who are not involved in the post office scandal, going to have our names cleared?

That was not being given to us tonight as we were being heckled as we discussed this subject by members of the majority party who think that the longer they can put this off the more hope they have to covering this up. It is not going to go away. The press has

the vouchers, the press has compared the vouchers. Everybody knows but the American people.

Is it any wonder there is a Ross Perot movement emulating from the State of Texas? Is there any wonder that people get the feeling they have no confidence in their Government? And we turn around and tell them that the Democrat majority is going to raise your taxes, "Trust us, we are going to lower the debt." After that did not happen in 1990 or 1982 or 1986? No, the public has no confidence in us. I will be happy to yield back to the gentleman from Texas. I appreciate his bringing this up. But we have to have the truth in order to restore confidence in this fine institution.

Mr. DELAY. Let me say that the gentleman from California is a real trooper. He has been here a short period of time and has already distinguished himself in the fact that he has brought truth and uprightness and openness and sunshine in this House. We appreciate the efforts that he has made.

I will turn back to the gentleman from Michigan.

Mr. HOEKSTRA. I just have one comment.

I am not at all surprised to hear we are using the word "stonewalling."

What we are seeing in terms of this scandal is the same thing we are seeing on the legislative agenda that I think the American people want us to be talking about. But this House and this Congress will not debate term limits, most likely will not even come up for a vote on the floor of this House; we are not being given the opportunity to talk about a balanced budget amendment, a true balanced budget amendment, and we will not even have the opportunity to vote on a true line item veto. So, what we are seeing here and dealing with scandal in the House is the same thing that we are seeing on legislative issues day after day after day, politics as usual.

I do not think that is what the freshman class was elected here to do. We are going to continue fighting for change.

Mr. DELAY. I appreciate the gentleman finishing up this special order with that comment, because he is dead on. It is not just the scandal that we are talking about, the bank scandal, the restaurant scandal, and now the post office scandal. It is a scandal the way legislation is handled here in the world's greatest deliberative body when we do not have open rules where we can offer amendments or even full flowing debate, that we are cut off from having debate because they are scared to death, through the arrogance of having power for so many years, to open up this House and let the deliberative body be the body it was designed to be. The gentleman so aptly put it: What is happening here is an arrogance of power because they have been in power for so long.

You know, when I campaigned last year, I called on the American people to send one party to Washington to be in power, one party in the White House and one party that controls Congress. I was hoping for a different result. But I think what you are going to finally find out with one party being in charge and being the majority party for so many years in this Federal Government, that that arrogance of power will be their doom because they do not trust the American people to make up their own minds about legislation or scandals. They do not want to bring sunshine into this Chamber to reveal what is going on in this House so that the American people can choose what is right and wrong and what they want for their future.

I just really appreciate the gentleman finishing this special order, bringing it all together and understanding that it is not just the scandal but it is also legislation.

If the gentleman from California has nothing else to say—

Mr. BAKER of California. I think we have run out of time. But I did want to mention that the gentleman from Ohio, MARTIN HOKE, just entered this Chamber.

Let me say that the firing of the prosecutor set a bad tone to this. The sooner we clean it up, the sooner all of us are going to have restored to this House its good name.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. DELAY] has expired.

□ 2100

BUDGET RECONCILIATION

The SPEAKER pro tempore. (Mr. FINGERHUT). Under a previous order of the House, the gentleman from Oregon [Mr. KOPETSKI] is recognized for 60 minutes.

Mr. KOPETSKI. Mr. Speaker, under a previous collegial agreement among the Members this evening, I yield to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, the gentleman from Ohio [Mr. HOKE] has come a long way. If we can just let him speak, I think we will be through. I appreciate the graciousness of the gentleman from Oregon.

Mr. KOPETSKI. Mr. Speaker, I yield to the gentleman from Ohio [Mr. HOKE].

DISCLOSURE ON HOUSE POST OFFICE SCANDAL

Mr. HOKE. Mr. Speaker, I appreciate the gentleman from Oregon yielding to me.

As a matter of fact, I came because frankly I was just across the street at home beginning to relax for the evening and because my own presence here in this House is so intimately related to the events that the gentleman has been discussing. I was at home, I

was watching C-SPAN and I said, "You know, I cannot not become involved in this discussion."

It is a fact that the person whom I defeated was the chairperson of the Subcommittee on Police and Personnel, and that is the only reason that I find myself in this House today, because that person had the oversight responsibility, not only for the House post office, but also for the House Bank.

I felt motivated to come over here today because in northeastern Ohio, in greater Cleveland on the west side, this is a subject that people know a great deal about and are extremely concerned about.

There is never a time that I go back to Cleveland every weekend when I am there at a town hall meeting, at a meeting of labor people, at a meeting of business people, the question always comes up inevitably, "What is going on with the House post office investigation? What are you doing? Why isn't it completed? What resolution will you come to?"

That is why I felt called to come over here and to say that there is no question that tomorrow I hope that all those who would in fact reform this House would come together and vote aye, vote in favor of the privileged resolution, the special resolution for complete and full and immediate disclosure of all the documentation, all the testamentary evidence, all the evidence that exists at this time. It has been handed over to the Justice Department, handed over to the Ethics Committee, to have it fully and completely disclosed. It is time, we must do it. The people demand it.

Those people who are most completely and thoroughly and intimately knowledgeable about this situation, and I can tell you that those in northeastern Ohio in greater Cleveland are as knowledgeable about this as any group of constituents in this country. They are demanding that kind of disclosure.

Mr. DELAY. Mr. Speaker, if the gentleman will yield further, I just want to congratulate the gentleman because probably the gentleman from Ohio who did defeat the gentlewoman from Ohio who was tainted by this whole scandal probably understands it better than any Member of this House, because in a hot campaign a lot of things are disclosed and a lot of questions are asked.

Unfortunately, we do not seem to get that heat in this Chamber so that we can also get answers to the questions that we are asking.

Hopefully, at the passage of the resolution tomorrow, we will get answers to those questions and the gentleman can go back to his district in Ohio and report to his constituents that the House is being cleaned up.

Mr. BAKER of California. Mr. Speaker, if the gentleman will yield further,

I would like to thank the gentleman from Oregon [Mr. KOPETSKI] for yielding and the courtesy he has shown us, and to the Speaker for the courtesy of the Chair this evening.

Mr. KOPETSKI. Mr. Speaker, in response to some of the statements that were previously made about the postal investigation, I think it suffices to say, yes, the House will continue the debate on this matter tomorrow. The American people should think first before they react to any of the statements made this evening in this special order segment.

Yes, there were problems with the House post office, serious problems, no doubt about it.

The facts show, however, that never was there or is there any kind of a coverup by anyone in this House on the postal matter or any other matter in this case.

The fact is there is a grand jury investigation currently underway being aggressively pursued and that we in the House must act very carefully and cautiously in whatever we do tomorrow or we could compromise this investigation.

The U.S. attorney in charge of this investigation has requested to the House in a letter dated July 21, 1993, today, that the House not release the material in question. I know special prosecutors. I know U.S. attorneys. I know they are very aggressive and I know they like to win. I am certain that this letter was written in the spirit of their being able to aggressively and competently finish this investigation and bring in the indictments of anybody. This is serious business. There is no doubt about it.

Mr. Speaker, I will include at this point the letter from J. Ramsey Johnson, the U.S. attorney to Speaker FOLEY and ROBERT MICHEL, the minority leader.

DEPARTMENT OF JUSTICE,
U.S. ATTORNEY,
Washington, DC, July 21, 1993.

HON. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

HON. ROBERT H. MICHEL,
Minority Leader, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER AND CONGRESSMAN MICHEL: We have been advised that the House of Representatives may be considering the public release of previously confidential materials generated during the inquiry conducted last year by the Task Force to Investigate the Operation and Management of the House Post Office. I am writing to express this Office's serious concern that the release of such materials could have a significant adverse effect on the ongoing criminal investigation being conducted by this Office into matters associated with the House Post Office. Accordingly, I ask you not to authorize the release of such materials.

Last year, this Office endeavored to work cooperatively with the Task Force, so as to enable the Task Force to conduct its mandated operations-and-management review of the Post Office, without invading the integ-

rity of the criminal investigation. After completing its review in July of last year, the Task Force prudently concluded that many of the materials that it had collected or generated—including deposition and interview transcripts and tapes—ought to remain confidential, in part because the publication of such materials posed a significant potential to compromise the ongoing grand jury investigation. That potential remains today. The investigation is continuing, and inevitably involves many of the same witnesses and transactions that the Task Force inquiry included.

For these reasons, I strongly request that the House refrain from releasing additional materials generated by the Task Force inquiry.

Sincerely,

J. RAMSEY JOHNSON,
U.S. Attorney.

Mr. KOPETSKI. Mr. Speaker, I do want to read one sentence from it. It does say:

I am writing to express this Office's serious concern that the release of such materials could have a significant adverse effect on the ongoing criminal investigation being conducted by this office into matters associated with the House post office.

Mr. Speaker, there are other serious issues before the House, no doubt about it, the state of the economy, the effect on small businesses, the great generators of jobs in this country, is in question. The President has taken bold leadership to address these problems in our economy, specifically centering on the deficit, specifically centering on budget cuts at the Federal level, and also to try to stimulate the economy and provide some relief and help and incentive to our small businesses in this country.

For this remaining hour, Members have put together some thoughts on the President's reconciliation bill and why there are parts and provisions of it that are important to the small businesses in this country.

Mr. Speaker, I yield to my colleague, the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I would like to thank the gentleman from Oregon for yielding to me, and certainly to let the gentleman know from many of us that we appreciate the gentleman taking the time this evening to get another message out, because we know there has been a different message that the American public has heard. I think it is important that they hear another side.

I specifically am going to try to integrate a couple of ideas that I have worked on over the years, but as I see this package in the budget reconciliation, helping us come to some final conclusions that I think are going to make businesses stronger, provide jobs and do some things that this country has needed over the last 12 years.

I am going to come back to these at the end, but I am hoping that as I go through this scenario with you that we understand how this particular issue is

pertinent to the package that we hope will happen in the House. That really has to do with some of the issues that are in the budget reconciliation, specifically looking at three areas, the increase in deductions for small businesses and new equipment, creating capital gains exclusion for certain small business stock, and one that I just feel so strongly about and that is making permanent what has been not permanent over the last several years, and that is the issue of about a 20-percent tax credit to businesses that are increasing their research expenditures and development. I just cannot tell you how important that is to this country and its future.

□ 2110

I want to tell my colleagues that I think for years the United States, and I think we have all heard these stories, have been in the forefront of an effort to invent new products, but for some reason, and I think some of it had to do with defense, but for whatever reason we did the research, but we did not do the development. We forgot how to get development out there. We forgot how to manufacture and put what we had learned in research to work.

Mr. Speaker, the perfect example of that was the VCR. The technology is American, but the money and the jobs were foreign, and now I think we even have a greater challenge facing the world. We have something that I am going to refer to as environmental restoration, and I think this area should provide us with a large segment of jobs that we are going to need in the 21st century, and yet I think once again that we have failed in ignoring the potential lucrative opportunities that are available for this country, except that now I think we have a President that has recognized this, and I am going to tell my colleagues a story, and I think this really sums it up.

A couple of months ago, or several months ago, I had an opportunity in my office to view a tape that had run on CNN, and it was a report on a pilot environmental cleanup project that actually was taking place in Florida at Tyndall Air Force Base. I think my colleagues will see the ramifications of this, especially with base closures and what we are finding with some waste and stuff, but the project was utilizing, and a lot of people do not know this, solar radiation to clean up groundwater that was polluted from jet fuel and lubricants, and the project also could clean up wastewater from industry, and to give some examples, the product process would be used to clean up wastewater from textiles, pulp and paper, and chemicals, and the process, we think and we believe, could reduce the cost of environmental compliance and make our companies more competitive. This process, and I am going to try to get these words right because

I am not the scientist in all this, is catalytic processing using titanium oxide, and the catalyst is readily available in abundance. Actually, I do not know whether I should tell my colleagues this, but it actually is found in our toothpaste, and I found this out during some of the conversations that I have had. We have known about this science for years, but the technology only recently was developed by the University of Florida which is forming a regional alliance to commercialize the technology.

Now what was interesting about this tape was it first showed us how solar energy would be utilized to improve the environment, but what really struck me and why I bring this up was because I was sitting at my desk, I turned the tape on, I listened to the report, I let the tape run a little bit after, you know, how you kind of let it run, and do my colleagues know that right after it had been done to the American public in English, it was then translated into Japanese? So, the same commentators on this tape were telling the same story to the Japanese Government and to the Japanese public, and I thought, OK, here we go again. We have got this great idea, this new product, this new technology, issues that could take us into the 21st century, and what happens but I am seeing it go to the same country that we have been competing in these areas with for years.

Well, Mr. Speaker, I naturally became a little concerned about it, realizing that that same information was being received. My questions through this are: Will we be seeing a repeat of the VCR situation? Will the Americans who pioneered this technology fail to find the funds that they need to develop the product? Will Americans who could have been employed in the manufacturing end and the application procedure of this technology fail to see these jobs because some foreign competitor purchases or licenses the patent and takes offshore the jobs and the technology overseas—and then sells it back to us at ridiculous prices?

Mr. Speaker, let me tell my colleagues that already somebody at MITI, or a European counterpart, already has reviewed this story and decided to target environmental technology as the computer chip or VCR technology of the 21st century, but, because new technology takes time and effort, we in the land of instant gratification may ignore the potential that new technology and thousands of skilled and yet employed workers and engineers present. I believe that new, innovative technology means jobs for Americans if only the inventors could receive that seed money or incentive that would be necessary for proper development and marketing of the technology. Those jobs put people to work here and keep people working, and we

can sell our goods overseas. If private industry does not quite see the light, should the Government provide an extra incentive to keep the work alive in this country?

We need to provide real capital assistance and employment incentives to new technology. For years, I have called for more attention to be paid to alternative fuels, especially solar energy. The sun is free; it does not pollute our air; it is virtually inexhaustible, but, more importantly, I believe solar energy is an economic winner for this country. Our studies showed that we could create more than 375,000 jobs over the next 20 years just by removing market barriers to solar and other renewable energy sources. The potential for overseas sales of solar equipment and for domestic employment to make those products is huge. The world market for solar thermal equipment is growing by 26 percent annually. Yet, we in the United States rank last where once we ranked first among seven major trading nations in the resources committed to export promotion of renewable energy technologies. The world market for solar equipment is growing at 20 percent, but the U.S. share of that over the last several years has gone down 65 percent a decade ago to 35 percent today.

I fear that we missed a golden opportunity to improve our economic growth by not focusing sufficient attention on new technology development. Fortunately, I believe the situation is improving with this administration. The House passed the National Competitiveness Act. The House reconciliation bill contains again, and I want to go back to these because I think these are so important in the programs that I have just discussed, and I do not want them forgotten. We have looked at increasing the deduction for small businesses and new equipment, creating capital gains exclusion for certain small business stock and again making permanent the 20-percent tax credit to businesses that increase research expenditures, and I am going to end with one statement:

When I ran for Congress, Mr. Speaker, we sometimes go to experts and people within our communities, and we ask them to give us advice, and I went to a dear old friend who I had worked with on a city council because he was our auditor there. I knew him from the time that I was in the State senate, had kept in touch with him, and I called him, and I said, Mike, I really need to ask you something. If you were to tell me what would be two things that you would do to help this country and small businesses, what would they be?

And he said, "I would go back to giving incentives for capital outlay for small businesses so they could stay competitive, and I would provide employment incentives." He said, "Those

two things, when we changed the 1986 Tax Code, have been the downfall of our small businesses."

I think this particular budget reconciliation has addressed at least those two issues, among others, and I think the research and development part has become an extremely important part of this bill, and I would hope we never forget what we are trying to do here and that we will see those fruits come to bear later on as our children, and your children, and all of our children grow, and we make this a better country for jobs.

Mr. KOPETSKI. Mr. Speaker, I thank the gentlewoman from Florida [Mrs. THURMAN] for her contribution, and we tend to think in my district, when we talk about research and development, we think about the high technology companies that would benefit from this. That is one of our great manufacturing sectors in this country. The gentlewoman is absolutely right to bring in the environmental technology area where we have been developing these kinds of technologies through the years, and there are so many other nations, Eastern Europe, for example, who want to clean up their rivers, and clean up their air, and, if we develop the technologies, there is a market for these various kinds of services and technologies that we can sell to these emerging nations as well, and I thank the gentlewoman for her contribution tonight.

□ 2120

Now I would like to yield such time as he may consume to the gentleman from New Jersey [Mr. MENENDEZ], a new Member of the Congress.

Mr. MENENDEZ. I thank the gentleman for yielding. I wanted to participate tonight with the gentleman from Oregon because I think we heard a few minutes ago about having the sunshine come into this institution and questions of credibility. Certainly, just one comment on that, one thing we do not want to do is to interfere with an investigation that is being conducted by the proper law enforcement authorities of this country. When we begin to interfere with those types of activities that are properly conducted by independent authorities, such as the U.S. Attorney's Office, then we really convert the system into something that the American public would not be supportive of.

So I am here to participate in letting a little sunshine and credibility in on the issue of the President's economic plan, and particularly as it relates to small businesses.

Part of what I have been hearing, is that the groups opposed to the President's economic plan are now attacking the plan on the grounds that it is bad for small business. The facts, the truth, the sunshine, is that nothing could be further from the truth. I

would like to go through some points that I think reflect that.

The President's plan is pro small business. It includes provisions to create and grow small businesses, including more than doubling the expensing provision, a targeted small business capital gains tax, and lower interest rates as a result of real deficit reduction, the lowest long-term interest rates in 16 years.

The plan is fair. Ninety-six percent of small businesses are exempted from any new taxes, income taxes. The 4 percent of small businesses who pay higher income taxes are not mom and pop businesses. A good number of them, such as in my district in northern New Jersey. The average affected individual under the plan, many who are investment bankers, consultants, and others, make \$560,000 a year.

Now, that is no small potatoes. It certainly is not what I consider small business. It is not the small businesses that are in the streets and neighborhoods of the communities that I represent. It is not the businesses along Journal Square in Jersey City. It is not the small businesses along Broad Street in Newark. It is not the small businesses along Elizabeth Avenue in Elizabeth, NJ. It is not the small businesses of mom and pop stores along Bergline Avenue in north Hudson County. When we think of small businesses, those are the types of businesses that we think of. They are not the businesses that are being affected by the President's plan.

Certainly the overwhelming number of small businesses that I know of in my district, I wish they made this, for their purposes. They would be paying taxes as well. But they do not make \$560,000 a year. And I think the President has launched an aggressive program to try to deal with the credit crunch, to provide capital for small businesses, and to expand and create jobs.

You know, this is not because we say it on the floor. There are independent groups and independent institutions and newspapers that have been saying some of this.

We look at some of the major newspapers, like the Wall Street Journal and the New York Times, that have examined some of these claims. In that respect, reading from the Wall Street Journal, it says, "Having been battered in last year's presidential campaign as defenders of the wealthy, Republicans hardly want to oppose the President's proposed income tax increases head on and bemoan the burden on the Nation's richest 1.2 percent of the population. So they are playing up the plight of small businesses. But many of the Republican arguments are specious. Despite claims that most of the burden of the higher taxes would fall on small business owners, the Joint Tax committee data shows otherwise."

It is interesting to read in yesterday's Wall Street Journal an article where we have various of these groups that oppose the President's plan particularly talking about how it is going to affect small businesses.

In an article in yesterday's Wall Street Journal they said:

A small business owner, Dottie Sizinski, made a compelling witness against higher taxes at a Montgomery, Alabama news conference last week called by the anti-tax group, Citizens For a Sound Economy, declaring that President Clinton's proposed tax increases would force her to charge more for the home-help services her company provides. Mrs. Sizinski warned that layoffs were inevitable. "You cannot pull the train without the engine, and you are going to find out this engine is small business," she said.

They went on to say in the article:

There is just one problem: her business, Central Alabama Nursing Services, is so small that her tax rate won't go up at all under the President's program.

It goes on through the article to talk about a whole host of other similar claims by some of these groups that are opposing the President simply on that provision that is going to affect small business.

Finally, listening to another independent organization, the National Federation of Independent Businesses, which in fact has a great deal to say about small businesses, gleaned from some of the testimony they have previously provided, stressing the importance of key provisions of the President's plan, expensing, targeted small business capital gains tax, cuts and lower interest rates from deficit reduction, here is what they said about three of those points:

Deficit reduction: our members feel that there is very little the government can do right now to bring us out of the recession in the short term, and would focus on the deficit, rather than cutting taxes.

The Clinton plan is the largest deficit reduction plan in history, \$500 billion in deficit reduction over five years, on target with the National Federation of Independent Businesses' statement:

Expensing: in the area of investment incentives, let me simply say that we are consistent. Simplicity is the key for the small business community. We prefer above all other things an increase in direct expensing.

The President's plan would more than double from \$10,000 the investment that small businesses would be able to expend immediately. Again, on point with the National Federation of Independent Businesses:

Capital gains: if you wanted to focus though on creation of small businesses and creation of jobs, I think that Senator Bumpers' proposal does an admirable job in that area. The President's plan adopts the key provisions of that proposal.

Again, on point.

So this is the institution, or one of the institutions and organizations, that in fact deals with the issues of enhancing opportunities for small business.

So, in closing let me just say that the President's plan, especially deficit reduction, is job creation, 8 million jobs over the next four years. Studies show that two of the President's small business investments alone will create 200,000 small business jobs.

Now, during the last four years only 1 million private sector jobs were created. That is just about 20,000 jobs a month.

In the first five months of the Clinton administration, 740,000 private sector jobs have been created, over 140,000 jobs per month, compared to the average of 20,000 a month during the previous administration, seven times the rate of the last administration.

Now, several independent analysts have projected that growth in the economy under the Clinton plan will create, again, 8 million jobs in the next four years. So that, to me, coming from a district that suffers a rate of 10.5 percent unemployment, helping small businesses create jobs, putting people back to work, that is change, real change, positive change, the type of change that people who elected us sent us here to create.

That is why I wanted to join with the gentleman tonight, to make sure we let a little sunshine in on the facts. This plan is pro small business. It moves to increase our economy, to grow our economy, and ultimately puts people back to work. When we put people back to work there is no better social program than employment. So that is why I am so happy to participate with the gentleman tonight, hopefully to let a little sunshine in. I thank the gentleman for the opportunity.

□ 2130

Mr. KOPETSKI. I thank the gentleman from New Jersey for his comments.

I wonder, as you do, I am sure you go to a lot of town hall meetings. I am amazed at the amount of misinformation and noninformation about what exactly is in the President's tax bill. I do not know about you. Where do you think this is coming from? Do you think it is because of the radio talk show folks? They have not read the bill themselves? Why is it that people do not understand or they are not asking exactly what is in the bill for small businesses?

Mr. MENENDEZ. I think the fact of the matter is that there are those here who would seek under any guise and will resort to the type of misinformation that, in fact, obviously has to be spread around for people to be as confused as they are on the issue.

The fact is, if you look at the program as presented, as independent groups have, as I mentioned, the National Federation of Independent Businesses and the various publications throughout the Nation who have been critical as well as positive at different

times, in this case they are positive. They say that the President's plan will work.

Some of these groups, under any pretense, will seek to oppose and obstruct. And some Members, unfortunately, of this House will seek to oppose and obstruct what the American public had us come here to do, which is change. When they said change, they meant positive change, change in their lives and change in their lives at a time of great unemployment in many pockets of our Nation, it means going back to work, moving this economy forward.

That is what the President's plan does.

I think that it is best said as Abraham Lincoln said, "At the end, with ten angels coming, swearing from above, I was right and I end up being wrong; then it will not matter. And if the end brings me out all right, then what is said against me now won't matter."

I believe that when we see this plan put to work, give it a chance, as we sought to give other Presidents a chance, given that opportunity that it will bear out, that people will go back to work, it will move our economy forward. We will create the opportunity that Americans are looking for and that we have come to expect as a Nation.

Mr. KOPETSKI. I thank the gentleman. I think you are exactly right that we have got to get this plan in place. The sooner the better for the American economy, for jobs and American competitiveness abroad.

I now yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman from Oregon for taking this time.

The gentleman from Oregon [Mr. KOPETSKI] is one of the most able Members of this House, a member of the very important Ways and Means Committee, which is one of the principal participants in the reconciliation bill.

We are focusing on small business. We are focusing on small business, because we know in America that most of the jobs that Americans get and the growth in jobs is essentially created by small business.

We know, furthermore, that over the last decade, many Fortune 500 companies have lost jobs. We have greater productivity, but we are losing jobs, as we become more efficient.

While it is good to become more efficient and more productive, it is absolutely essential for any society to create jobs for its people.

I have three children, ages 28, 24, and 22. They are all in the job market and, luckily, they all have jobs. We want to have good jobs available for my grandchildren, as well, and for the children who just graduated from high school or college this past June, who are going into the job market. So we are talking about small business.

The small business provisions are incorporated in a deficit reduction plan that, in my opinion, is critical, if this country is going to confront its most difficult problem, and that is its deficit, a deficit which is the progeny of an irresponsible fiscal policy pursued over the last 12 years, a policy, very frankly, that Presidents Reagan and Bush incorporated in budgets and sent to the floor of the House.

Many in their own party opposed the Reagan and Bush budgets. Mr. Reagan's first budget got one vote from his own party. Then, 27 Republicans supported his next budget in 1987, only 12 Members of his own party supported President Bush's budget.

What did that mean? Apparently they did not believe that that was a viable economic program for this country. And in point of fact, the Congress put together a program which was ultimately signed by the President of the United States, not in terms of the budget but in terms of the appropriations bills, the reconciliation bills that carried out the provisions of that bill.

The bottom line was, 12 years later the Federal debt had increased from \$945 billion to over \$4 trillion.

Our new President, as the gentleman from New Jersey [Mr. MENENDEZ] pointed out, was elected to bring change and change is not easy. It takes courage. Change will be difficult because the problems are tough, and the solutions are going to be tough. But this President and his party have shown the courage to support the tough policies he has proposed in both this House and in the other body.

We talk about small business, again, because it is such a critical component of the economic welfare of this country. I have asked that a chart be put up that reflects what the gentleman from New Jersey [Mr. MENENDEZ] just talked about. It dramatically points out the 700-percent increase in job creation in the first 6 months of this administration, an average 21,000 jobs were created monthly under the Bush administration. And he, of course, said he was going to create 30 million jobs in two terms.

Now, it does not take much of a mathematician to multiply 48 times 21,000 and know you do not get 30 million jobs. And it does not take a political scientist to know why he did not get to serve a second term.

Since the inauguration we have begun to create new, private sector jobs at a rate of 148,000 a month—813,000 net new jobs. Why?

In my opinion, because the financial markets and the business community believe that for the first time in many years we have a President who is leading and has presented a responsible plan to take charge of our economic future. It is not just the business leaders of this country who are hopeful. For the first time in many years, the G-7

leaders from around the world, and their industrialized nations, meeting in Japan, were not saying, "Why does the United States not have a responsible deficit reduction plan?"

They said to President Clinton, "We believe that for the first time you have a plan to get your fiscal house in order, and we are glad for it, because the economic well-being of this country is critical to international economic stability and health."

As many as 148,000 jobs a month are being created under this administration, not because specific programs have passed, but because our people and businesses are hopeful—we see change coming, and it is good.

I would ask that the next chart be put up. The financial markets do not care about Democrats or Republicans. The financial markets do not care about putting a good spin on policy. The financial markets are not trying to make us look good or the President look good.

The financial markets are making hard economic decisions as to what they believe the future will bring. And interest rates are at the lowest level in a generation. Millions of Americans have saved very substantial moneys over the last 6 months by refinancing their homes. Why have they refinanced their homes? Because mortgage interest rates are coming down. Why? Because the economic stability that the plan that the President has proposed is bringing.

There is an automobile dealer in my district at Indianhead, MD, Williams Ford. The owner told me that 2 days after the November election, he had the best day of sales that he has had in many years. Why? Because there was a confidence that the President meant business, and our people responded.

This mortgage rate chart brings it home. On election day, rates were a little over 8.25, about 8.3 percent and look where we are today—down to 7.5 and lower, 7½, 7 percent. Interest rates today are at the lowest point they have been in a quarter of a century. Why? Because for the first time the Congress and the President have shown the courage to get a handle on the fiscal deficit that confronts us.

□ 2140

I did not support the 1981 program, and I thought interest rates would skyrocket. In fact, of course, nominal rates did not skyrocket, nominal rates being the number you see, but real interest rates were at the highest point they have been historically in the 1980's. By "real interest rates," I mean the difference between what you had to pay for the money and the inflation rate. There was a greater discrepancy in the 1980's than there had been historically.

This President has produced a program. It cuts the deficit by \$500 billion.

Does it eliminate the debt? No; it does not. But it makes a real downpayment. It will take courage, and it will take tenaciousness. We are going to anger some people, no doubt about that. You do not cut, in real cuts, \$250 billion from a Federal budget and expect everybody to be happy, because there are folks getting that \$250 billion, whether they are Federal bureaucrats who have jobs and they are performing functions, or whether they are folks in the private sector who are getting some benefit or some payment from the Government.

We are raising revenues. We are saying we need a greater contribution from this generation so the next generation is not in hock. We are going to do that. That will not make some people happy. It will particularly not make some people happy who got the biggest tax break in history on much higher profits during the 1980's.

In the words of Kevin Phillips, a conservative Republican leader:

We saw the biggest shift in economic wealth, not from the rich to the poor but from the middle class to the wealthiest 1 percent of America, during the 1980's.

I am not here to tell you, and I know you are not either, I would say to the gentleman from Oregon, that we want to gouge anybody. All of us want to be successful. All of us want to have economic well-being for ourselves and our families. All of us also believe that this Nation will survive and do well if each of us participates in his fair share of the burdens that confront this country, as well as the opportunities it affords.

Those interest rates coming down are probably the best economic program we can have. If they remain low, it means an extra \$100 billion being pumped into our economy. I want to talk about some other economic aspects of the bill, not just mortgage rate interest but interest on personal loans and car loans and boat loans and consumer loans coming down. This is the best economic program and the best job creator we can have.

I would like to put up the other chart, if you will. My friend, the gentleman from New Jersey [Mr. BOB MENENDEZ], one of the most distinguished new Members of this House, former member of the State Senate in New Jersey, now a distinguished Member of this body, mentioned this. There is an effort abroad in this land to fool people, to tell them, "this is awful for small business. Small business will be hurt and jobs destroyed."

In point of fact, the largest rate of bankruptcies that occurred in small business ever occurred in the 1980's, the highest rate of bankruptcies of small business. However, that aside, this chart repeats what the gentleman from New Jersey [Mr. MENENDEZ] said. Under the President's program in the reconciliation bill, that I believe will be on this floor in pretty much the

form that I am going to talk about, 95.8 percent, almost 96 percent of the business taxpayers are not affected by the income tax proposals in this bill.

Will they have to pay if we have a gasoline tax? Yes, we will all have to participate. As a matter of fact, the proposal the President now apparently is focused on will be about \$1 per week for middle income families and middle income business folks.

My own opinion is, if they believe that we have the courage to bring down the debt, bring down the deficit, and not continue to pile on their children and their grandchildren an unconscionable debt for the future, I think they will think that is worth \$1 a week. The 4.2 percent who will be affected, as the gentleman pointed out, are doing well, earning over a half-million dollars per year, on average. We do not want to gouge them. And we won't. We believe this is a reasonable contribution that we are asking of some of the most successful businesses in our country.

Let me talk a little bit about some of the proposals that are in there. I think it is important that we look at the specifics. They were related, some of them, by the gentleman from New Jersey [Mr. MENENDEZ], but I am going to repeat them because they bear repeating, because they are very important.

Small Business Friends tell me that the expensing provision, is very, very important. It is now at \$10,000. We are going to more than double it in this bill. That will encourage small business to buy equipment and to expand their businesses, expand their productivity capacity. Good for them, good for the workers they will hire. That will help, grow the economy. That is a very important aspect, and as the gentleman pointed out, supported by almost every small business group that I have had the opportunity to talk to and small business person that I have talked to in my district.

Vice President GORE, came to Waldorf, MD, today. We were at Nick's Market of Clinton, Nick's of Clinton. We talked about these provisions to help small businesses.

Nick Ferrante, the operator of that grocery store, got up and said, "I understand this plan and I believe it is good for my small business." Why? Because he understood its provisions. He was not listening to some political rhetoric, he actually looked at the plan.

I would like to put up the chart there. Let me go through them a little bit, if the gentleman does not mind, and just discuss some of these proposals. It contrasts the Democratic plan and the Republican plan. We have included increased expensing, an allowance so we do not tax investments that small businesses make. Republicans have no such provision.

The capital gains tax cut for small business investment; again, an impor-

tant incentive to get people to invest in growing their businesses, which will in turn grow our economy, which will in turn create jobs for our people, which is what they need and what they want. The Republican plan does not.

The second question everybody asks everybody else—the first question, obviously, is "What is your name?" The second question that everybody asks is "What do you do?" What do you do to participate in our society, to support yourself and your family, and what gives you a sense of self-worth? What do you do? My job, my profession, my way of making a living and supporting myself.

A capital gains tax cut for small business is going to give more people that opportunity to have an answer and have self-respect, and have a sense of participation in making their society better.

The passive loss deduction, has been very controversial. In 1986 we changed that. It had had a very substantial impact on the real estate and home building markets. This passive loss deduction, in my opinion, will help that, and I am not alone. But the Republican plan lacks this provision.

Housing, and homebuilding, is very important in Maryland, in the district that I represent, and very important around the country. Homebuilders lead us out of recession and depression. The passive loss deduction, in my opinion, will be of significant help to those small business men and women.

We have wage and tax credits in enterprise zones, because we have several areas of our country that have historic high unemployment and great difficulty in getting going economically. We know that is a real problem, because the people that live in those areas cannot get jobs and they move out. Those areas then decay and they are centers of crime and deprivation and disease. We need to bring those areas back.

Very frankly, Jack Kemp, a former colleague of ours, talked about, in fact, enterprise zones; empowerment zones, if you will. Very frankly, we have included that in our bill because we thought that Jack Kemp had a good idea. We did not necessarily agree with how he put it, exactly, but it was an idea that was a good one. We have adopted it. We would urge our colleagues on the other side of the aisle to adopt that as well.

We reduced the cost of health insurance premiums of the self-employed, packaged retroactively, because we want to go back and extend the 25-percent deduction for health insurance premiums paid by the self-employed. We think that is an additional savings and incentive to our business people.

Tax-exempt financing for small business, by extending qualified small issue bonds and creating a new category of enterprise zone, which I have already talked about for facility bonds.

□ 2150

And the plan further provides certain small businesses with greater access to tax-exempt financing.

Now that has a cost to it, but it is a cost that is worth it because it creates jobs.

And super-expensing, and those empowerment zones I talked about, and small issue manufacturing and farmer bonds. We sometimes forget that some of the most productive and active small business people we have in America are farmers. And they need assistance. This bill we believe gives it to them.

It is a progrowth incentive for large and small companies and firms, and we modify the AMT depreciation schedule, the alternative minimum tax schedule to again allow depreciation deductions to be accelerated considerably, which will assist businesses in capital investment and in growth. We extend the research and experimentation credit, a very important provision for Silicon Valley type corporations. Those small corporations have provided many of the new jobs during the 1980's. They are not doing it now, but we need to spur them, because we are in fact competing well with the Japanese who came in early, but we are not only catching up, but we can surpass them because our people have the talent and the commitment to do so, if we give them the tools to do so. We believe this does. This R&E tax credit extension extends the provisions that provide the 20 percent credit for qualified research expenditures. We need to encourage, and this bill does, research expenditures, and making sure we are on the cutting edge of technology which will ensure a bright future for our children and for our country.

Mortgage revenue bonds. That has always been a popular program on both sides of the aisle. But this permanently extends the recently expired provisions that permit local jurisdictions to issue tax-exempt mortgage revenue bonds for financing rehabilitation or improvement of single-family homes. We have a shortage of single-family homes in America that are affordable for average Americans. If you have a \$300,000 or \$400,000 salary that will support mortgage payments on that kind of a home, you can buy a home. But if you are making \$25,000 or \$30,000, or \$40,000 or \$50,000 as a married couple, you have a tough time getting a mortgage.

The fact that interest rates are coming down, and we provide for affordable housing is now solving that problem, and home ownership and the expectation of the ability to own a home has gone up substantially among average Americans over the last 6 months, a good point for the confidence of the consumer.

Passive loss liberalization I have talked, of, which in my opinion is critical. The President's plan provides new

incentives for small businesses to create jobs and sustain real growth. That is the bottom line. Not just temporary, but sustainable, real growth and job production.

This House is going to pass reconciliation, in the first instance because this country needs to get its deficit under control if we are going to be a successful, health, growing economy, and second because some of the provisions in here for small business will lead directly to that result.

I very much appreciate the opportunity to participate in this special order with the gentleman from Oregon, and thank him for his efforts as a member of the Committee on Ways and Means to fight for this in committee and on this floor, and currently for a bill that is tough, but is fair, and will be effective in making America's economy grow and create jobs and opportunities for our people.

Mr. KOPETSKI. I thank the gentleman. The gentleman from Maryland is one of our great leaders in the House.

What I got out, or part of what I got out of your statement is that those who call this just a tax bill are wrong. And I think there is a lot of misunderstanding out there in America about what is in the reconciliation package.

There is the business incentive program. There are the spending cuts. And you are on the Appropriations Committee, and one thing you said about the spending cuts struck me, which is that these did not get there just by accident. Somebody asked for that Government spending, whether it is a subsidy in the agricultural area or a payment in the health care area. And so taking those away becomes very difficult, because I assume you see on a daily basis people coming up to you and saying well, do not cut me, cut the other guy. And that is the problem that we are in. We are having to make these very difficult choices.

The President outlined a program, brought it to the Congress. We have made our modifications. We are not a rubber stamp I do not think of any executive. By and large we have responded to the President's initiative, put our mark on it, and now we are in the conference committee.

Mr. HOYER. If the gentleman will yield further, he makes a very good point about not being a rubber stamp. Obviously, I think all three of us are very strong supporters, and I know the Senator and the gentleman from New York who sits behind me are strong supporters of the President. That does not mean that we agree with everything the President proposes.

But the fact is this President has shown courage in giving us a tough but effective and fair package for economic change and growth in America. In fact, of course the Congress added \$68 billion in additional spending cuts above

and beyond what the President proposed because it was the Congress' feeling that we needed to discipline ourselves, bring spending under control as a first priority. And as a matter of fact, when we adopted the budget, the reason for adopting the budget so quickly was to show that discipline, as we did in a very tough budget which freezes discretionary spending at 1993 levels for the next 5 years, freezes spending at the Federal level at this year's level for the next 5 years. That is pretty tough medicine. But it is necessary in the Congress' opinion in order for us to participate not just in taxes, as the gentleman points out, because revenues are necessary. You cannot get there from here without greater participation in a fair way by all Americans. But the fact is in this case it is only the top 2 percent of Americans that will be participating in a very significant way in terms of income tax. And in addition to the revenues, however, we did the spending cuts first. And in my own bill, as you know, where I chair an appropriation subcommittee, we were \$560 million under last year's outlay numbers, which means the money that we spent.

Mr. KOPETSKI. The actual dollars.

Mr. HOYER. In terms of dollars we spent, not just obligated, but spent last year. So we are making some of the tough decisions, and I think we will continue to do so.

Mr. KOPETSKI. I thank the gentleman, and thank him for his time this evening as well.

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

BUDGET RECONCILIATION PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I yield to the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. I thank the gentleman from New York for yielding.

Mr. Speaker, I wanted to take a few minutes on my own this evening to talk about the President's reconciliation bill. It is a controversial measure, and the reason is because the President has made deficit reduction his No. 1 priority. And I think that we have to deal with the facts when we are addressing such an emotional issue, such an issue that affects our own economy.

When the President took office, literally the day after he took office, the 4-year deficit projection became \$189 billion higher than had been forecast by the Bush administration in the last projection before the election. So this is the first thing the new President was faced with, was the deficit was even worse than we thought it was by about \$190 billion.

□ 2200

President Clinton recognized the seriousness of the situation and had to forgo some of the attractive campaign promises he made like an immediate middle-class tax cut in order to get to meaningful deficit reduction.

This economic package is a \$500 billion deficit-reduction effort, and the President is holding firm on meeting this goal.

As we see in this chart that if we do nothing, if we do nothing without any deficit reduction, we see that the deficit does droop down a little bit, but then it rises dramatically in the out years of 1998, but under the President's reduction, we see immediate and dramatic cuts in the deficit until we get out to 1998, and it levels off actually unless we deal with health care; it may turn up again.

So this is the problem area that we have here, and what we are fighting about in the conference committee today and in the halls of Congress is how much to reduce the deficit, how can we do that in a fair and responsible manner.

There are those who say, well, cut spending and get there entirely by spending cuts. There are others who say do it all by tax increases.

Well, what the President outlined to us and what the House and Senate have agreed upon is that we need a combination of both.

Before I get to that though, I want to talk a little bit about the problem that we have as an institution with our credibility with the American people on a deficit-reduction program. The credibility problem goes back really through the 1980's, I think, when the Congress and the administration kept promising balanced budgets but the opposite happened. We increased the Federal debt fourfold, and then in 1990, although I was not a Member then, there was another new budget agreement, and people perceived this budget agreement as a failure.

Well, let us examine that. The 1990 agreement projected a deficit this fiscal year of \$170 billion. They thought it was going to be \$170 billion. In reality it is going to be probably \$270 billion. So they missed it by \$100 billion, and that is significant dollars.

In a sense the 1990 agreement was not a failure. It just was not bold enough. The Congressional Budget Office has found that the savings to the budget projected by that 1990 agreement have been realized.

The fact is that only about \$9 billion of the increased deficit we are seeing today results from tax-and-spending legislation enacted since 1990, and this includes unforeseen spending of about \$10 billion to the Pentagon to finance our share of the Persian Gulf war, and about \$5 billion in emergency spending for Hurricane Andrew in Florida and the Los Angeles riot assistance that

Congress provided, and in addition to the extension of the unemployment compensation.

Since 1990 Federal discretionary spending has actually fallen slightly.

Why did the 1990 agreement fail? Well, it is because we failed to control, I think, the increase in the entitlement spending area, and that is a key problem that still plagues us today. Since 1990 the entitlement spending has shot up 37 percent, with health care costs leading the way.

The package passed by this Chamber begins to address the entitlement issue. The fact is that under the President's plan we have a bit more spending cuts than tax increases. This is a fact. People should not believe the talk-show hosts who say there are no spending cuts involved in this bill. The fact is that there are.

I think we have a chart here to show exactly what we are talking about here, that as the gentleman from Maryland [Mr. HOYER] pointed out, we have pretty much a balance between new revenues or tax increases, and the spending cuts, which add up to about \$250 billion with 200 specific cuts in specific programs, and \$100 billion in the entitlement cuts as well. When we look to the revenue side, we are raising \$250 billion. We are asking the wealthiest of our Nation to contribute the greatest share of those new revenues.

Seventy-five percent of the income in these new revenues will come from the top 6 percent of income holders in our society, 66 percent from the top 1 percent, the top most wealthy individuals in America today, and these are people that made a lot of money in the 1980's, and we are asking them to help America to get this deficit under control.

So I think it is fair that we do impose this additional burden, the significant part of the burden on those with the ability to pay. We want them, and we on the Ways and Means Committee were very mindful of the fact that in this capitalistic society, we want people to make money. We want profits. We want profits from investments, long-term investments in our country.

These people will still be wealthy after they pay this bit more tax increase.

On the average, President Clinton's plan over the next 5 years has \$1.20 in spending cuts for each \$1 we raise in the tax increases. In 1994 there are 78 cents in spending cuts to the dollar in tax increases. In 1995 the amount goes up to \$1.12 for every dollar of taxes. In 1996 there is \$1.21 in spending cuts for each \$1 in taxes. In 1997 there is \$1.16 in spending cuts for every dollar in taxes, and in 1998, \$1.49 in spending cuts for each dollar in taxes.

Deficit reduction is important to our Nation's smaller businesses and individual firms such as our farmers, as the gentleman from Maryland [Mr. HOYER] alluded to. Maybe they are a sole pro-

prietor, but they are all benefiting from deficit reduction, and the hope and expectation from Wall Street that the Congress will follow through with the President's leadership and enact a significant deficit reduction, because that is what is going to keep the interest rates low and the economy in an upward slant.

The NFIB, the National Federation of Independent Businesses, representing over 100,000 small and independent business owners, testified in the Ways and Means Committee that 87 percent of its members believed deficit reduction should be Congress' top priority.

The Federal Reserve Chairman, Alan Greenspan, noted yesterday that President Clinton's \$500 billion deficit reduction is a "good first shot" and that if the financial markets believe Congress is backing away from that \$500 billion target, it will mean higher long-term interest rates, rates that are critical to mortgages and firms and households that are undergoing debt restructuring or your new small businesses going out there to borrow the money for their inventory for this year and the Christmas season approaching.

Greenspan also noted the flip side, that if the market senses that if there is true credible action on the deficit, on the debt about to occur, long-term interest rates could drop even further than they are today. Deficit reduction is a winner for small businesses, and that is what is built into this package that the President has taken to the Congress.

How do we know that the deficit will go down under this package? As we said earlier, we have got a credibility problem here in the Congress. People need to believe that this is real, that these cuts are real, and I know that they will believe the revenue increases are real. But is it going to impact them?

The Federal Reserve Chairman, Mr. Greenspan, clearly believes the deficit will go down. Discretionary spending cuts are real. Farmers know that these cuts are real because of the \$1.96 billion we are cutting from the deficiency payments over the next 5 years. Farmers also know the spending cuts are real because the commodity programs are being cut by a half-billion dollars. Federal employees know the cuts are real because of the 150,000 Federal positions being cut out through 1998, saving nearly \$30 billion. Medicaid recipients will know the cuts are real because the \$8.2 billion is being cut out of it, and our veterans know that the spending cuts are real because the VA housing programs are being cut by \$665 million.

All totaled, the domestic discretionary spending is being reduced by \$102 billion over the next 5 years, \$102 billion. It is real.

I have already got constituents coming into my office saying, "Why are you cutting so much?" We come back

to the first chart, the size of the Federal deficit and the fact that we have to get it under control.

Are we cutting the entitlement programs? You bet we are. They account for 60 percent of Federal spending, and 65 percent of the Federal spending in 1995.

The House-approved package cuts the sacred cows of entitlements by \$87 billion. It requires accountability on this entitlement spending as well, and with an annual target; each year we set a target on our entitlement spending. If that target is exceeded by more than one-half of 1 percent, the President is required to propose a way to pay for that overspending or request Congress to adjust the target, full accountability on an annual basis.

There will have to be a vote, so each Member of Congress throughout this country will be held accountable and on the record on the entitlement-spending area.

□ 2210

I think the previous speakers have alluded to the various provisions in the President's tax bill that do provide a benefit, a stimulus to small businesses in our Nation.

The Wall Street Journal yesterday, just yesterday, reported in an article entitled "Foes of Clinton's Tax Boost Proposals Miscalculate Public and Firms on the Small-Business Aspects."

Mr. Speaker, I insert that article for the RECORD:

[From the Wall Street Journal, July 20, 1993]

(By David Wessel and Jeanne Sandler)

Small-business owner Dottie Cieszynski made a compelling witness against higher taxes at a Montgomery, Ala., news conference last week called by the anti-tax group Citizens for a Sound Economy.

Declaring that President Clinton's proposed tax increases would force her to charge more for the home-health services her company provides, Ms. Cieszynski warned that layoffs were inevitable. "You cannot pull the train without the engine, and you're going to find out this engine is small business," she said.

There's just one problem: Her business, Central Alabama Nursing Services Inc., is so small that her tax rate wouldn't go up at all under Mr. Clinton's program.

Ms. Cieszynski says she gleaned her belief that her marginal tax rate would shoot up 14 percentage points, to 46%, from material provided by CSE and other small-business lobbies. But all the rhetoric to the contrary, the vast majority of small businesses are in much the same position as is hers. Under the tax-rate increases that have cleared both houses of Congress, they wouldn't be touched; only the most prosperous small-business owners would be affected.

Opponents of the Democrats' plan to raise taxes on upper-income people realize there isn't much point in seeking sympathy for the rich. Small business, on the other hand, is almost sacred. So the foes, who mounted an effective campaign against Mr. Clinton's energy tax (known as the BTU tax) earlier this year, have hit the small-business issue hard in print and radio ads and in a flurry of press releases.

GOP RADIO ADS CITED

"Having been successful on the BTU tax, we have turned more of our energy" to the small-business issue, says Jerry Jasinowski, president of the National Association of Manufacturers. The Republican National Committee's radio ads say the tax bill means "more taxes on small business, killing jobs and economic growth."

No one is making more noise about taxes and small business than Citizens for a Sound Economy, a Washington group headed by James Miller, who was President Reagan's budget director and is now campaigning for a Republican U. S. Senate nomination in Virginia. The group's surveys of local small businesses, who warn of layoffs if their taxes go up, have generated stories in local newspapers from Milwaukee to Gadsden, Ala. ("Survey: President's tax plan to cost Alabama 40,000 jobs," read a headline in the Gadsden Times.) The group's ads running in local newspapers of targeted congressmen and senators—which include the telephone numbers of their district offices—label the tax bill "a job tax" that "crushes small businesses."

The group's 60-second radio ads are even tougher, featuring two politicians—Frankie and Weasel—who sound like gangsters. "Let's tax small businesses. You know, car washes, farms, grocery stores. We'll say it's a tax on the rich," Frankie says.

"Yeah," replies Weasel, "but they hire a whole lotta people. It'll mean they'll have to fire some folks."

"Better their jobs than ours," says Frankie.

MOST DON'T EARN ENOUGH

Most corner grocery stores and neighborhood car washes, though, don't earn nearly enough to be affected by the income-tax increases that the House-Senate conference committee is considering. True, many small-business owners—all partnerships, so-called subchapter S corporations and sole proprietorships—do pay taxes on their profits at personal-income-tax rates. But the tax bill would raise income-tax rates only on those individuals with taxable incomes, after deductions, of \$115,000 and couples with taxable incomes of \$140,000.

"You'd have to have one humdinger of a car wash to be pulling down that kind of money," says D. J. Gribbin, a lobbyist for the National Federation of Independent Businesses. The typical federation member employs five people and makes about \$45,000 a year in salary and profit.

In the case of Ms. Cieszynski's company, for instance, her business is organized so that she pays taxes at the corporate tax rate. The tax bill would raise the corporate tax rate to 35%—but only for companies with profit of \$10 million or more. Ms. Cieszynski won't disclose precisely what her firm earns, but she says it's less than \$100,000.

Jeff Nesbit, spokesman for Citizens for a Sound Economy, says the group didn't analyze the taxes of the participants in its news conference. He says the group's surveys are restricted to subchapter S corporations, and Ms. Cieszynski wasn't among those polled. Ms. Cieszynski says she was invited to participate in the news conference by a local public-relations firm; she believes the firm got her name from the National Federation of Independent Businesses, of which she is a member.

ADMINISTRATION FIGHTS BACK

The Clinton administration, keenly aware that opponents of its energy tax skillfully used local newspapers and radio stations to

influence swing votes in Congress, is doing its best to smother the arguments with facts. Erskine Bowles, the new head of the Small Business Administration, raised the issue at a town meeting in West Hartford, Conn., last week even though no one asked him about it.

Other administration officials point out that the administration-backed proposal to increase write-offs for small businesses that buy new equipment would help far more businesses than the tax would hurt.

The Treasury doesn't dispute the fact that well-off small-business owners will pay higher income taxes, just as will well-off bankers, orthodontists and Exxon Corp. executives. But only about 4% of those taxpayers who report some business income on their tax returns—and that includes partners in law firms and investment banks as well as owners of small manufacturing companies—make sufficient money to be hit by the higher tax rates.

These people account for a significant chunk of the money that would be raised by the tax-rate increases. Of the \$400 billion earned in 1991 by taxpayers with gross incomes of \$200,000, about \$80 billion came from business income of some sort, Internal Revenue Service data show.

Of course, the most prosperous businesses are likely to be the ones that employ the most people. Raising their taxes and thereby reducing their cash flow isn't likely to encourage them to hire new employees or buy more equipment. "To say this is a disaster for all small businesses isn't accurate," says John Satagaj, president of the Small Business Legislative Council, which is friendlier to the Clinton administration than some other small-business groups. "But the profile of those companies affected are the ones you don't want to hurt."

Meanwhile, some of the small-business owners who will be hit by the higher taxes sound as angry at the populist rhetoric as they are at the increase in their taxes. "I employ 100 people. I provide a living for those people," says Ralph Evans, owner of Evans Farm Inn, a restaurant and catering business in McLean, Va. "It bothers me that Congress and my president are telling me I'm a no good SOB because I make so much money."

The fact is that the article points out that 95.8 percent of business taxpayers are not affected by the President's tax proposals. Here we have this chart again, 95.8 percent of business America is not affected by these tax proposals; 4.2 percent of those are affected.

In terms of the top corporate rate, what we did in the Committee on Ways and Means is that the President proposed a 36-percent rate, that is raising the corporate rate of 36 percent from 34, and we said 35 was adequate and where we ought to be and still remain competitive in the international global economy with our competitors, Japan and Germany.

We are only asking those businesses in America that have gross proceeds of \$10 million or more per year, and out of the 40,000 businesses in that top category today, in that top rate category today, only 2,700 of them will be paying a higher rate.

The fact is, as a lobbyist for the NFI is quoted as saying in another Wall Street Journal article, "You'd have to

have one humdinger of a carwash to be pulling down that kind of money," the kind of money that would get a small-business person taxed by this legislation.

The task before our Nation is very difficult, there is no doubt about it, because we have to eliminate the deficit and work on the debt. It is over \$4 trillion. We are going to be adding to that debt each year, even under this program, until we get to a balanced budget. But we have to do it in a fair and equitable and in a manner that will not hurt the economy but will stimulate the economy. That is why we have some of these pro-business features in it; the expensing provision, the 50 percent investment exclusion for capital gains treatment. We repeal the luxury tax on boats and aircraft. On the intangible areas, we allow tax deduction for depletion of items like customers lists, which is extremely helpful for small businesses like independent insurance agents in this country, for example.

The gentlewoman from Florida talked about the research and development tax credit for the environmental technology companies, but also for the high-technology manufacturing companies, of which the United States has 50 percent of the world market today. We have got the targeted jobs tax credit program to encourage small employers, whether it is restaurant owners in this country, or others, to hire more people and to place workers that have been unemployed for too long, for workers in different categories who have a tough job getting that first job.

It is good for small business, it is good for the Nation. It restores a semblance of tax fairness, tax fairness to our tax code.

I think we have a chart here. Mr. Speaker, this is an important chart because this is: Who is going to pay the increased taxes here?

We have got this broken down by income category, because of the monies we are spending on expanding the earned income tax credit where we are going to make work pay in this Nation, not just for married couples but for single individuals as well. Actually, because of the expansion of the EITC, they are going to pay lower taxes, generally.

Then you move up the economic scale, \$3 for those who make \$20,000 to \$30,000 a year. Then you jump up to \$75,000 to \$100,000 adjusted gross income household, and we are asking \$41 more per month by that household.

Finally, we get over the \$200,000 category, and, yes, we are asking them to pay more a month, over 1,900 bucks more a month. These are people that got favorable tax treatment in the 1980's, they were making money then, they are making money now, they will continue to make money even under this program, whether it is because they are going to have a more attrac-

tive investment market or because they are going to be paying lower interest rates; but the deficit is going down and the economy should move forward as the markets suggest that it will.

Well, there is one other item that I wanted to mention, and I am about ready to close. I truly appreciate the gentleman's time.

That is an article from the Wall Street Journal.

It is a quotation from a June 25th Journal article about "Taxing Small Business."

The Republicans maintain that a large portion of the higher tax rates the Democratic plan would impose on taxpayers with taxable income above \$140,000 would fall on small business and would inhibit the owners from pouring money back into the business so they could expand and hire new workers.

This proposition is grounded on the fact that many businesses are not themselves taxed. Rather the proprietors, partners or shareholders pay taxes on the profits at their tax rate, which is lower than the corporate rate.

One problem with the argument is that many of these businesses are actually doctors, lawyers and other professionals—not the sort of entrepreneurs normally associated with job creation.

Another problem is that these businesses pay taxes only on their profits, after deductions are taken for expenses like paying wages to employees or making new investments to expand.

The Republicans never quite explained why surgeons, or even the owners of hardware stores or canneries, should be taxed less on their income than someone who draws a salary from, say the United States Treasury.

Finally, Mr. Speaker, the Republican alternative to President Clinton's economic package has no business features to it, there is no expensing measure, does not have the capital gains tax provision, does not have the passive loss deductions which are important to the real estate industry, does not have the enterprise zones so we can get these depressed areas, whether in the timber industry or downtown New York, going again, more attractive to businesses. It does not have the real deficit reduction program that is offered in the proposal brought to you by the Democrats.

In closing, Mr. Speaker, we saw the size of the Federal deficit, over \$4 trillion; this is serious. The issue before us is whether the rest of this decade and into the next century we are going to be economically competitive, that we are going to go and continue to be the richest, most powerful Nation on Earth. That is what is at stake here. If you look at not just the economic aspects, you look at our national security, you look at who owns or holds our national debt, nearly half of it is owned by foreigners. That is not good for the security of the United States of America. We are at risk, I believe, just because of that fact.

So, when we talk about successes, whether this is going to be a Clinton success or a Democratic Party success,

no; we need to do this for our Nation, for America.

I sincerely believe this is the fairest, the best deficit reduction package that the minds of the Congress can put together. It is the best we can do with limited circumstances to provide some needed economic boost to the businesses of this country, especially the small businesses.

I thank the gentleman from New York [Mr. OWENS] for his time and his indulgence.

□ 2220

Mr. OWENS. Mr. Speaker, I thank the gentleman for his very clear explanations and for calling this special order on the very important budget reconciliation package. There is no more important time than now. As we move toward a resolution of this matter, a vote, we need to throw more light on the subject.

Like most of my colleagues, when I was back in the district during the recess I encountered a great deal of anger and hostility from people about what is going on in Washington. The anger and hostility comes from every level. It is not just the middle income, well-educated voters who are very articulate and let you know, it is also the people on the street who were very disappointed, people who had been promised that this new administration would put people first. There were going to be some definite changes, and they have not seen those changes materialize.

Let me just take one very graphic example, the summer youth employment program. The summer youth employment program was to be increased. The Clinton Administration came in proposing an increase of about \$1.5 billion, a little more than a billion and a half dollars, which would have translated in a place like New York City to an additional 35,000 jobs. These are jobs for low-income youths, unemployed in the summer. Many of their salaries go to support the whole family. I know from my close association with the program over the years at every level that these are jobs which put money in the hands of poor youth and families and those youth and families pour it right back into small businesses. They do not invest it anywhere. They do not take trips to Switzerland or the Cayman Islands. They go to the sneaker store. They go to the clothing store. They go to the school supply store and they pump money back into the economy immediately. It is very important that those jobs for those youth flow, but they did not increase anymore than a paltry \$166.5 million.

The Clinton administration proposed a \$1.5 billion stimulus package. When they got through cutting it down from \$1.5 billion down to \$166.5 million, and when you divide that across the whole country, the increase in the number of

jobs this summer was not that great over the number of jobs last summer.

Translated, as I said before, to New York City it meant we lost 35,000 jobs by not having the President's original proposals acted upon.

We passed it in the House in the so-called stimulus package, but it was filibustered by the other body.

One program officer told me it had a waiting list of 3,500 youngsters. Under the appropriation they got, they were only able to provide jobs to 750 youngsters. Seven hundred fifty youngsters meant that the others went without jobs.

A few days after they told me that young people would apply for those jobs, that most of them would not get jobs, a few days after that there was a robbery and murder that took place in a local park. The head of the program told me that two of the boys involved in that robbery and murder were below the age of 16. They were on the list. One was number 3,003 and the other was number 3,004 on the list. They had been told this.

I do not excuse anybody from participating in a robbery or a murder. There is no excuse for that. But I wonder what bearing it would have had if they had been told the good news, "Yes, you got a job this summer." Would they have been out there in that park with the rest of the gang?

People are angry for good reason. They have seen that the prosperity of our economy has moved forward. We are far wealthier now than we were 12 years ago before the Reagan and Bush administrations took office. As a whole the country is wealthier. Our companies are doing very well. Large companies are making more money than ever before. At the same time they are making huge profits, they are laying off people. What is going on?

Everybody is trembling in fear for their jobs, because despite the fact that their companies are doing very well, in order to lower their costs or for whatever purposes they want to accomplish, some of the most stable giants in American industry are laying off thousands and thousands of people.

So we are not sharing in the wealth, they are saying. Something is radically wrong. They are angry. They are angry at politicians. They are angry at the Democratic Party. They are angry at the President.

This anger certainly is very much misguided. As the presentation has shown here tonight, we have very much moved in order with the President's proposal to put people first. The President has been willing to bite the bullet.

The package that we have passed in this House, and I want to stress the fact that we talked a great deal about small business and there is a need to counteract the campaign to make it appear that small businesses will suffer, but I want to stress the fact in my

presentation that in addition to small businesses not suffering, but instead benefiting, we also have a package which was the President's package, passed by the House. A combination of the President's package and the House-passed package was a balanced package. It was very well balanced, balanced in terms of the expenditures, as has been pointed out. We made the hard decisions and made cuts. Not all of us agreed with all those cuts, but most Democrats ended up supporting that package. It was balanced in terms of revenue. Not all of us agreed with all the taxes. We think maybe there should have been more taxes on the rich who have benefited so greatly from the eighties; but nevertheless, we supported that package.

The other part of it was that it was also balanced in terms of certain programs that put people first. It has a childhood immunization feature. It has enterprise zones for the poorest cities. It has earned income tax credit to guarantee that people who work every day will have some help from the Government so they do not fall below the poverty line.

It is a first step in terms of President Clinton's welfare reform program.

We had an expansion of the Food Stamp Program. It had these items in there in addition to the cuts and the extra taxes. It all balanced out. We all voted for it.

As we move toward the finalization of the process as the Senate and the House conferees discuss this in debate, they should not lose sight of the balance. Less and less talk has occurred over the past few days about childhood immunization and the provision in the bill concerning that, enterprise zones, earned income tax credit. There seems to be some kind of budding gentleman's agreement that all that is expendable. That can go. We are not going to put people first. We are going to put the deficit first.

Deficit is important and people do benefit from a reduction of the deficit. It has been pointed out here quite clearly that the lowering of interest rates benefits everybody.

So we are not going to say the deficit is not important, but let us not forget, people ought to come first and that in terms of a proportion of that package, the programs which benefit people directly, people have been neglected for the last 12 years is a very small piece.

Childhood immunization is not a large amount of money being set aside for that. Enterprise zones, earned income tax credit, they do not amount to large amounts of money.

So while I congratulate the President on the fact that he has bitten the bullet and congratulating the Members of the House who supported the President's package, we recognize that this plan really puts us back in the goal of our economic destination.

After 12 years of finger pointing, President Clinton is stepping up to the plate to deal with it.

The President does not like to fix blame much, but I do not hesitate to fix blame. The blame is on the excesses of the Bush and the Reagan administrations. We had a transfer of wealth drained out of the middle class and pumped into the top 1 percent, the top 6 percent of the income bracket. That is pretty clear. One does not have to exaggerate. That is not a wild, radical statement. The statistics show where the money went. They benefited from Government policies.

People are always talking about get Government off our backs. Government should not be involved. Leave it to private industry. That is the biggest lie that has ever been perpetuated.

The people who got wealthy during the eighties all had some connection with the way the Government policies moved and the way Government transferred wealth from the middle income folks up to higher levels.

We transferred it in many ways, in the name of defense. We poured excessive amounts of money into weapons systems. We transferred it in many ways, clearly by swindling the American people out of billions of dollars in the savings and loans swindle. The savings and loan swindle probably will amount to \$500 billion taken out of the pockets of the American taxpayers and put into the hands of some of the wealthiest people in the country due to regulations, distorted policies and just plain crookedness in many cases, complicity between Government officials and people in the banking industry.

□ 2230

So, Mr. Speaker, in various ways we created the deficit, and now, if we accept the fact that the deficit is the most important thing on the agenda, we are allowing President Bush and President Reagan, who have created the deficit, to reach into the present administration and be a determining factor in the way we spend policy. We have to deal with the deficit, but let us not get lost or blinded by our attempt to act responsibly with respect to the deficit. Let us not fail to put people first. We have to deal with spending cuts, as I said before. Some of those spending cuts should be made, and some of them I question, and there are many spending cuts that we have not made yet, and I assume that the new administration coming in, having won in November and doing a transition period, having come in in January, we knew this budget was put together under very strange circumstances. I assume that we are going to have a budget that really reflects the new administration in the next go-around. We are moving to keep matters going. This budget is important. It does set some precedents. It does lay out the direction in which we will be going in the

next 4 years. But I do not accept it as anything final. I wait to see the next budget produced by the administration, and I hope that the spending cuts then will be more reflective of the philosophy of putting people first. Of the spending cuts, they will recognize what was done to us in the 1980's by the Reagan and Bush administrations. We had star wars, you know, Brilliant Pebbles. We are going to stop rockets by shooting pebbles into the skies. Billions of dollars invested into that unfortunately, but the greatest surprise is that the present administration also continues to support star wars.

Mr. Speaker, most of the scientists, you know, two-thirds of the scientists in this country in the time star wars was proposed said that it was not a workable idea. After billions of dollars have been poured into it, it still is not close to being workable. Yet we are continuing to fund it. That is a cut we should be making, and we can take a large cut there because it is a large amount of money.

We are continuing to fund, the administration is continuing to support, the superconducting super collider. You know, in this present budget we are talking about \$600-and-some million over the life of that program. We are talking about another \$8 to \$9 billion. I am not against science. I do not think it is just a big ditch. I think it is based on sound, scientific concept for the superconducting supercollider. It is a boondoggle as it is being implemented. The superconducting super collider is something which at least could be slowed down, but given the fact that it is being implemented in the old style, massive overruns already are under way. It is best to just bring it to a halt and accept the return of that money to the budget to take care of other kinds of needs. The administration is behind it, but the House of Representatives is not. Overwhelmingly the House of Representatives voted to end the superconducting super collider project. That would generate a great deal of money for programs which put people first. It certainly could take care of the Childhood Immunization Program. It could take care of some of the other expenses that I have mentioned in terms of a balanced budget, items that are in there for people.

But, my colleagues know I do not want to take away from the fact that we have passed, as Members of the House, a good plan. The plan will create jobs, 8 million of them over the next 4 years, permanent, productive, private sector jobs. The plan is a good job generator because it makes it easier for businesses to grow. If we keep interest rates at their present low level for the rest of this year, we will have pumped \$100 billion of new private sector capital into the economy. Let those who say that the President has not bitten the bullet, the President has not in

the first few months of his administration parted the country in a new direction. Let them take heed. We will have pumped \$100 billion of new private sector capital into the economy if we can keep the present interest rates going.

The plan also targeted new incentives to encourage business, especially as we are talking here today about small businesses being encouraged to create new jobs. The plan will improve the standard of living. The interest rates mean that you could buy a car, buy a home, and buy a lot of other things at a lower price than you could afford before. This is real money, the pockets of real people. You can finance a \$100,000 mortgage—instead of paying 10 percent—for 7.5 percent, and you will have saved \$175 a month. That is more than 10 times what you will be paying in new taxes—the middle-income families will be paying in new taxes.

This is real change. This is something you can sink your teeth into. Never mind what the talk show hosts say, the radio talk show hosts and the television talk show hosts. They insist on oversimplifying. You know, they are in a sense being simple minded about what is going on here in Washington. All they can see is new taxes. All they can see is broad-brush actions, and they will not discuss the bread and butter of what is going on. One hundred seventy-five dollars a month saved on one's mortgage is really bread and butter. This is a fundamental break from the old failed trickle-down policies of the past. It is a change that is historic in its scope. It is the largest deficit reduction in history, the biggest set of spending cuts in history. It is real change. The old ways have left deficits out of control, and now we are talking about putting our economic house in order. Trickle-down sheltered the powerful and the privileged and tried to balance the budget on the backs of the forgotten middle class.

This economic plan is fair, it is shared, and it is balanced. The rich are finally paying their fair share. More than three-fourths of the taxes in this plan are being paid by the wealthiest 6 percent of upper-income level in this economy. The working poor actually get a break. If you make \$30,000 a year or less and have children in the home, this plan gives you a tax break to help you raise your children above the poverty line. Your earned income tax credit, that is part of what I am talking about now when I say a balanced piece in this package. We cannot let the earned income tax be eroded. The other body has already drastically cut the earned income tax credit as it was passed by this House. We must not, in conference, yield to this very important people program. We have to put people first, and the earned income tax is probably the most important item in terms of putting people first, and it is also the beginning of a welfare reform approach that makes a lot of sense.

The middle class wins in this plan, this plan of the President and the House of Representatives. The middle class wins. After 12 years in which the Republicans taxed working class people, and they gave the money to the wealthy people, this is a plan in which the middle class truly wins. The total tax burden on the middle class ranges from \$2 a month in the Senate version to a maximum of \$17 a month in the House version, but what you get for that. Look at what you get for that. You get lower interest rates on everything from your home to your car loan to your credit card payments. You get historic deficit reduction, real spending cuts, and 200 specific programs, incentives for businesses to create jobs here in America, and the kind of sustained, long-term growth that America needs.

As the gentleman from Maryland [Mr. HOYER] pointed out, you need long-term sustained growth in order for our children to have jobs and our grandchildren to have jobs. We have to make that beginning by biting the bullet and dealing with the deficit now. This plan makes real cuts in specific programs. This plan could make more cuts, but the cuts have at least begun. On the business as usual, deficit reduction disappeared in the old Bush and Reagan years. They started out talking about deficit reduction, but each year we found that it did not happen. The deficit reduction is taking place here now. For every \$10 we put in a \$500 billion trust fund, \$5 comes from, \$4 comes from taxes on the wealthiest 1 percent, and only 1 percent comes from the middle class. The trust fund will be proof that we really are paying down the deficit unlike the policies of the past when the Republicans used gimmicks like budget caps that were lifted or ignored when they saw fit. In the old way of doing things the most vulnerable were the most victimized. Under this plan we do achieve more deficit reduction than the Republican proposals with less than half of the level of cuts in Medicare, veterans benefits, and health care.

The other body is all wrong. The are proposing Medicare cuts. They have proposed Medicaid cuts which are not necessary.

□ 2240

The old way of doing business is what they want to continue. The old way of doing business allowed politicians to look no further than the next election. But this plan does look to the next generation.

I cannot stress too much the comparison between the plan of the President and the House of Representatives, our plan, versus the plan of the other body. I hope the conferees will remember the people who are there to reach a final decision along with the representatives of the other body. I hope they

will remember and the American people out there will remember them, that we have a balanced package and we do not want food stamp expansion to be cut out. Seven billion dollars in that package that we passed, the President's package and the House package, \$7 billion for food stamp expansion. The Senate has zero for food stamp expansion.

We have a billion dollars for family preservation in that package. The Senate has zero for family preservation.

We have \$2.1 billion for childhood immunization. The Senate has far less, because they cut back drastically on the childhood immunization program.

We want to maintain the balance. These programs are important. These programs put people first.

Consider the fact that only 55 percent of the Nation's 2-year-olds were fully immunized against vaccine-preventable diseases in 1991. Only 55 percent, a little more than half. Despite the fact that we have the technology, we have the chemistry, we have everything we need to accomplish these vaccinations, only 55 percent of the Nation's 2-year-olds were fully immunized. Because of these low immunization rates, a measles epidemic swept across the country and claimed over 55,000 victims between 1989 and 1991. The epidemic killed 166 and hospitalized 11,000 Americans.

When you have a measles epidemic, they have a residue, because women who are pregnant and get measles, their children are born with hearing defects. We have a large bulge in the population who have hearing defects, and a lot of children are born deaf as a result of measles. It carries over for many, many years in terms of the necessity to compensate for that.

The House passed a universal vaccine assurance system as part of the budget reconciliation bill, our bill and the President's bill. The good bill was passed with this universal vaccine assurance system. The new plan would serve 11.1 million children who are uninsured or under insured, Medicaid eligible or native American. All of the children will have their immunizations paid for by their private health insurance.

The House also included provisions for parent education and immunization registry and a reminder system and an extension of the vaccine injury compensation program.

The Senate budget reconciliation bill would only require states to buy vaccines in bulk. No vaccine assurance program would be created by the Senate plan.

The House version must prevail in conference for the following reasons: the House version of the Childhood Immunization Initiative will help more children. The House bill includes Medicaid immunization improvements, such as parental coordination, coordi-

nation with WIC and other MCA programs, and better reimbursement rates. The Senate did not include these Medicaid reforms.

Passage of the Childhood Immunization Act is a warmup for the national health reform. A loss on this issue will be a victory for the drug industry against the President. The other body is wrong. The conferees of the House must not yield on the Childhood Immunization Program.

Finally, the EITC, the earned income tax credit proposal that has been adopted by the other body, also has serious shortcomings. The Senate EITC proposal fails to offset the transportation tax which they have imposed on millions of working poor households. This is due in large part to the committee's rejection of the proposed EITC for poor workers without children.

The Senate proposal also makes several million working families with children worse off than they would be under current law. It cuts their EITC by up to \$77 in tax year 1994 and up to \$55 in subsequent years, while simultaneously the transportation tax which the Senate has put on, the gasoline tax, which will be paid by everybody, puts a new burden on these same families.

Finally, although it comes close, the Senate plan fails to achieve the President's goal of lifting a family of four which has a full-time, year-round wage earner, a working person in the family, is not lifted to the poverty line in the Senate program as it does in the case of the House and President's program.

In conclusion, Mr. Speaker, I again want to congratulate all of my colleagues who participated in this special order, and want to urge them not to succumb to some of the easy answers that are being proposed.

There are some people who say the best way to get out of this impasse is to just forget about any new taxes on the middle class, the transportation tax, for example, and dump the people first programs. If you do not have the tax on fuel, the tax on energy, then you can compensate for that by not dealing with childhood immunization and EITC. Dump the people first programs and take away the taxes. I think that is the wrong step. It means we have not changed anything here in Washington. We have not heard the voice of the people.

The people who are out there angry now will have every reason to continue to be angry with us. We should put people first and understand that what makes our democracy great is not the fact we have more people who are well off, more people who are educated, but we have instead more people who participate. I invite everybody, every voter, every citizen, to continue participating, watch this process. Keep your eyes on the prize as we wind up this process of budget reconciliation,

which is one of the most important duties of this Congress.

We should hear from the people who are constituents. We should hear from the people who put us here. They should take a backseat now, but insist that reason prevail over the special interests that usually do prevail, instead of focusing on the deficit blindly and refusing to recognize the people programs. Instead of focusing on cuts and refusing to make the cuts that are necessary in places where we should make cuts, we should keep our eyes on the prize and make sure that we do not sacrifice very important programs like the Children's Immunization Program, enterprise zones, the earned income tax credit, and the food stamp expansion.

COMMUNICATION FROM THE
CHAIRMAN OF THE COMMITTEE
ON THE BUDGET REGARDING
CURRENT LEVELS OF SPENDING
AND REVENUES FOR FISCAL
YEARS 1993-1997

(Mr. SABO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SABO. Mr. Speaker, on behalf of the Committee on the Budget and as chairman of the Committee on the Budget, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting for printing in the CONGRESSIONAL RECORD the official letter to the Speaker advising him of the current level of revenues for fiscal years 1993 through 1997 and spending for fiscal year 1993. Spending levels of fiscal years 1994 through 1997 are not included because because annual appropriations acts for those years have not been enacted.

This is the fourth report of the 103d Congress for fiscal year 1993. This report is based on the aggregate levels and committee allocations for fiscal years 1993 through 1997 as contained in House Report 102-529, the conference report to accompany House Concurrent Resolution 287.

The term "current level" refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

As chairman of the Budget Committee, I intend to keep the House informed regularly on the status of the current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, July 14, 1993.

HON. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington,
DC.

DEAR MR. SPEAKER: To facilitate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, as amended, I am herewith transmitting the status report on the current level of revenues for fiscal years 1993 through 1997 and spending estimates for fiscal year 1993, under H. Con. Res. 287, the Concurrent Resolution on the Budget for Fiscal Year 1993. Spending levels for fiscal years 1994 through 1997 are not included

because annual appropriations acts for those years have not been enacted.

The enclosed tables also compare enacted legislation to each committee's 602(a) allocation of discretionary new budget authority and new entitlement authority. The 602(a) allocations to House Committees made pursuant to H. Con. Res. 287 were printed in the statement of managers accompanying the conference report on the resolution (H. Report 102-529).

Sincerely,

MARTIN OLAV SABO,
Chairman.

Enclosures.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1993 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 287

REFLECTING COMPLETED ACTION AS OF JULY 13, 1993

[On-budget amounts, in millions of dollars]

	Fiscal year 1993	Fiscal years 1993-97
Appropriate level:		
Budget authority	1,246,400	6,669,200

REFLECTING COMPLETED ACTION AS OF JULY 13, 1993—

Continued

[On-budget amounts, in millions of dollars]

	Fiscal year 1993	Fiscal years 1993-97
Outlays	1,238,700	6,472,700
Revenues	845,300	4,812,900
Current level:		
Budget authority	1,248,381	(1)
Outlays	1,242,955	(1)
Revenues	849,333	4,807,168
Current level over (+)/under(-) appropriate level:		
Budget authority	+1,981	(1)
Outlays	+4,255	(1)
Revenues	+4,033	-5,732

¹ Not applicable because annual Appropriations acts for those years have not been enacted.

BUDGET AUTHORITY

Any measure that provides new budget or entitlement authority for fiscal year 1993 that is not included in the current level estimate for that year, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 287 to be exceeded.

DISCRETIONARY APPROPRIATIONS, FISCAL YEAR 1993

[In millions]

	Revised 602(b) subdivisions		Current level		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
	Agriculture, rural development	13,874	13,413	13,876	13,314	2
Commerce, State, Judiciary	22,865	21,972	22,451	22,052	-414	80
Defense	255,677	267,021	253,944	265,874	-1,733	-1,147
District of Columbia	688	698	688	698	0	0
Energy and water development	22,080	21,409	22,080	21,409	0	0
Foreign Operations	14,701	13,301	14,701	13,300	-630	-1
Interior	12,934	12,617	12,516	12,622	-418	-5
Labor, Health and Human Services, and Education	62,309	62,393	62,389	62,358	80	-35
Legislative	2,328	2,274	2,275	2,275	-53	1
Military construction	8,397	9,370	8,396	9,365	-1	-5
Transportation	12,815	33,555	12,606	33,555	-209	-0
Treasury-Postal Service	11,288	12,008	11,248	11,986	-40	-22
VA-HUD-independent agencies	66,172	65,309	66,021	65,298	-151	-11
Grand total	506,128	535,340	502,561	534,106	-3,567	-1,234

DIRECT SPENDING LEGISLATION

[Fiscal years, in millions of dollars]

	1993		New entitlement authority	1993-97		New entitlement authority
	Budget authority	Outlays		Budget authority	Outlays	
House committee:						
Agriculture:						
Appropriate level	0	0	0	13,656	12,806	15,190
Current level	1	1	0	3	3	0
Difference	1	1	0	-13,653	-12,803	-15,190
Armed Services:						
Appropriate level	0	0	0	0	0	0
Current level	26	-41	26	313	-330	311
Difference	26	-41	26	313	-330	311
Banking, Finance and Urban Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	-60	-59	0	-118	-45	0
Difference	-60	-59	0	-118	-45	0
District of Columbia:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Education and Labor:						
Appropriate level	0	0	1,472	0	0	21,564
Current level	-128	-148	1,347	-132	-177	21,384
Difference	-128	-148	-125	-132	-177	-180
Energy and Commerce:						
Appropriate level	35	35	0	187	187	0
Current level	-166	-166	-25	-601	-601	-51
Difference	-201	-201	-25	-788	-788	-51
Foreign Affairs:						
Appropriate level	0	0	0	0	0	0

OUTLAYS

Any measure that 1) provides new budget or entitlement authority that is not included in the current level estimate for fiscal year 1993, and 2) increases outlays for fiscal year 1993, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 287 to be exceeded.

REVENUES

Any measure that would result in a revenue loss that is not included in the current level revenue estimate and exceeds \$4,033 million for fiscal year 1993, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 287. Any measure that would result in a revenue loss that is not included in the current level revenue estimate for fiscal years 1993 through 1997, if adopted and enacted, would cause revenues to be less than the appropriate level for those years as set forth in H. Con. Res. 287.

DIRECT SPENDING LEGISLATION—Continued
[Fiscal years, in millions of dollars]

	1993		New entitlement author- ity	1993-97		New entitlement author- ity
	Budget authority	Outlays		Budget authority	Outlays	
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Government Operations:						
Appropriate level	0	0	0	0	0	0
Current level	-8	37	-8	-20	-20	-20
Difference	-8	37	-8	-20	-20	-20
House Administration:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Interior and Insular Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	-38	-38	0	2	2	0
Difference	-38	-38	0	2	2	0
Judiciary:						
Appropriate level	251	251	251	251	139	251
Current level	210	210	260	244	244	300
Difference	-41	-41	9	-7	105	49
Merchant Marine and Fisheries:						
Appropriate level	0	0	0	0	0	0
Current level	4	4	0	-366	-366	0
Difference	4	4	0	-366	-366	0
Post Office and Civil Service:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Public Works and Transportation:						
Appropriate level	2,000	22	0	10,596	22	0
Current level	2,050	28	0	2,050	-44	0
Difference	50	6	0	-8,546	-66	0
Science, Space, and Technology:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Small Business:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Veterans' Affairs:						
Appropriate level	0	0	339	0	0	6,566
Current level	170	170	341	-76	-76	2,239
Difference	170	170	2	-76	-76	-4,327
Ways and Means:						
Appropriate level	0	0	0	352	352	1,213
Current level	3,590	3,590	3,475	5,719	5,719	5,564
Difference	3,590	3,590	3,475	5,367	5,367	4,351
Permanent Select Committee on Intelligence:						
Appropriate level	0	0	0	0	0	0
Current level	1	1	1	14	14	14
Difference	1	1	1	14	14	14

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 14, 1993.
Hon. MARTIN O. SABO,
Chairman, Committee on the Budget, House of
Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1993 in comparison with the appropriate levels for those items contained in the 1993 Concurrent Resolution on the Budget (H. Con. Res. 287). This report is tabulated as of close

of business July 13, 1993. A summary of this tabulation follows:

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 287)	Current level +/- resolution
Budget authority	1,248,381	1,246,400	+1,981
Outlays	1,242,955	1,238,700	+4,255
Revenues:			
1993	849,333	845,300	+4,033
1993-97	4,807,168	4,812,900	-5,732

Since my last report, dated April 21, 1993, Congress has approved and the President has signed the CIA Voluntary Separation Incentive Act (P.L. 103-36), the Unclaimed Deposits Amendments Act (P.L. 103-44), and the

1993 Spring Supplemental (P.L. 103-50). These actions changed the current level of budget authority and outlays.

Sincerely,
ROBERT D. REISCHAUER,
Director.

PARLIAMENTARIAN STATUS REPORT 103D CONG., 1ST SESS., HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JULY 1, 1993

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			849,333

PARLIAMENTARIAN STATUS REPORT 103D CONG., 1ST SESS., HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JULY 1, 1993—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Permanents and other spending legislation	764,101	737,205	
Appropriation legislation	732,061	743,943	
Offsetting receipts	(240,524)	(240,524)	
Total previously enacted	1,255,638	1,240,625	849,333
ENACTED THIS SESSION			
CIA Voluntary Separation Incentive Act (Public Law 103-36)	1	1	
Unclaimed Deposits Amendments Act (Public Law 103-44)		1	
1993 spring supplemental (Public Law 103-50)	1,003	1,199	
Total enacted this session	1,004	1,201	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted ¹	(8,261)	1,130	
Total current level²	1,248,381	1,242,955	849,333
Total budget resolution	1,246,400	1,238,700	845,300
Amount remaining:			
Under budget resolution			
Over budget resolution	1,981	4,255	4,033

¹ Includes changes to the baseline estimate for appropriated mandates due to the following legislation: Technical Correction to the Food Stamp Act (Public Law 102-265); Higher Education Amendments (Public Law 103-325); Prevent annual food stamp price adjustment (Public Law 102-351); Veterans' Compensation COLA Act (Public Law 102-510); Preventive health amendments (Public Law 102-531); Veterans' Benefits Act (Public Law 102-568); veterans' radiation exposure amendments (Public Law 102-578); and, Veterans' Health Care Act (Public Law 102-585).

² In accordance with the Budget Enforcement Act, the total does not include the following in emergency funding:

[In millions of dollars]

	Budget authority	Outlays
Public Law:		
102-229		712
102-266		33
102-302		380
102-368	959	5,873
102-381	218	13
103-6	3,322	3,322
103-50		(30)
Total	4,500	10,303

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FROST (at the request of Mr. GEPHARDT) for today, on account of illness.

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 Mrs. MORELLA) to revise and extend their remarks and to include extraneous matter:)

Mr. DELAY for 60 minutes today.

Mr. GOSS for 5 minutes today.

Mr. LINDER for 60 minutes today.

Mr. HORN for 60 minutes on July 26.

Mrs. BENTLEY for 60 minutes on July 29 and 30; 60 minutes on August 2, 3, 4, and 5; 60 minutes on September 7, 8, 9, 14, 15, 16, and 17.

(The following Members (at the request of Mr. ROMERO-BARCELO) to revise and extend their remarks and to include extraneous matter:)

Mr. STARK for 5 minutes today.

Mr. SABO for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. MORELLA) and to include extraneous matter:)

Ms. MOLINARI.

Mr. HUNTER.

Mr. CLINGER in two instances.

Mr. FIELDS of Texas.

Ms. SNOWE.

Mr. HORN.

(The following Members (at the request of Mr. ROMERO-BARCELO) and to include extraneous matter:)

Mr. STARK.

Mr. BORSKI.

Mr. DELLUMS.

Mr. TORRICELLI.

Mr. TORRES.

Mr. HAMILTON.

Mr. SWETT.

Mr. MINETA.

(The following Members (at the request of Mr. OWENS of New York) and to include extraneous matter:)

Mr. YATES.

Mr. FRANK of Massachusetts.

Mr. GILLMOR.

Mrs. SCHROEDER.

Mr. SANDERS.

Mr. CARDIN.

Mr. MORAN.

Mr. HAMILTON.

Mr. POMEROY.

Ms. ESHOO.

Mr. SERRANO.

Mr. TRAFICANT.

Mr. GOODLING.

Mr. DORNAN.

Mr. HORN.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 49 minutes p.m.) the House adjourned until tomorrow, Thursday, July 22, 1993, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

1623. Under clause 2 of rule XXIV, a letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the Board's Monetary Policy Report for 1993, pursuant to 12 U.S.C. 225a, was taken from the Speaker's table and referred to the Committee on Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. DELLUMS: Committee on Armed Services. H.R. 2330. A bill to authorize appropriations for fiscal year 1994 for intelligence and intelligence-related activities of the U.S. Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 103-162, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Education and Labor. H.R. 2351. A bill to authorize appropriations for fiscal years 1994 and 1995 to carry out the National Foundation on the Arts and the Humanities Act of 1965, and the Museum Services Act (Rept. 103-186). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHEAT: Committee on Rules. House Resolution 220. Resolution providing for consideration of the bill (H.R. 2667) making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes (Rept. 103-187). Referred to the House Calendar.

Mr. GORDON: Committee on Rules. House Resolution 221. Resolution waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-188). 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. FORD of Michigan (for himself and Mr. GOODLING):

H.R. 2683. A bill to extend the operation of the migrant student record transfer system; to the Committee on Education and Labor.

By Mr. STUDDS (for himself, Mr. FIELDS of Texas, Mr. MANTON, Mr. ORTIZ, Mr. TORKILDSEN, Mr. ACKERMAN, Mr. LIPINSKI, Mr. WELDON, Mr. HUGHES, Mr. HOCHBRUECKNER, Mr. LANCASTER, Mr. HASTINGS, Mr. GILCHREST, Mr. RAVENEL, Mr. GENE GREEN of Texas, Mr. CUNNINGHAM, Mr. YOUNG of Alaska, Mr. DEUTSCH, Mr. BARLOW, Ms. SCHENK, Mr. STUPAK, Mr. TAYLOR of North Carolina, Mr. SAXTON, Ms. FURSE, and Mrs. BENTLEY):

H.R. 2684. A bill to reauthorize and amend the National Fish and Wildlife Foundation Establishment Act; to the Committee on Merchant Marine and Fisheries.

By Ms. NORTON (for herself and Mrs. MORELLA):

H.R. 2685. A bill to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHEAT (for himself, Ms. DANKER, Mr. SKELTON, Mr. CLAY, Mr. VOLKMER, Mr. GEPHARDT, and Mr. EMERSON):

H.R. 2686. A bill to amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in Midwest communities participating in the national flood insurance program; to the Committee on Small Business.

By Mr. WHEAT (for himself, Ms. DANNER, Mr. SKELTON, Mr. VOLKMER,

Mr. CLAY, Mr. GEPHARDT, and Mr. EMERSON):

H.R. 2687. A bill to amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in the Midwest; to the Committee on Small Business.

By Mr. BOUCHER:

H.R. 2688. A bill to amend the Agricultural Adjustment Act of 1938 to revise the reserve stock level for Burley tobacco; to the Committee on Agriculture.

By Mr. DE LA GARZA (for himself (by request), Mr. ROBERTS, Mr. JOHNSON of South Dakota, Mr. PENNY, Mr. EMERSON, and Mr. ALLARD):

H.R. 2689. A bill to amend Public Law 100-518 and the U.S. Grain Standards Act to extend through September 30, 1998, the authority of the Federal Grain Inspection Service to collect fees to cover administrative and supervisory costs, and for other purposes; to the Committee on Agriculture.

By Mr. FAZIO:

H.R. 2690. A bill relating to the tariff treatment of Benthocarb; to the Committee on Ways and Means.

By Mr. PAXON (for himself, Mr. BOEHLERT, Mr. MCNULTY, Ms. MALONEY, and Ms. MOLINARI):

H.R. 2691. A bill to amend title 38, United States Code, to provide that future increases in the monthly amount paid by the State of New York to blind disabled veterans shall be excluded from the determination of annual income for purposes of the payment of pension by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. PETERSON of Florida:

H.R. 2692. A bill to improve the ability of the Federal Government to prepare for and respond to major disasters, and for other purposes; jointly, to the Committees on Public Works and Transportation and Armed Services.

By Mr. POMEROY:

H.R. 2693. A bill to amend the Agricultural Adjustment Act of 1938 to limit the imposition of civil money penalties for violations of marketing allotments for sugar and crystalline fructose to those violations that are knowingly committed; to the Committee on Agriculture.

By Mrs. SCHROEDER (for herself and Ms. SNOWE):

H.R. 2694. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to require special testing for drugs and biological products used by women; to the Committee on Energy and Commerce.

H.R. 2695. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to require the inclusion of women and minorities in clinical investigations of new drugs, biological products, and medical devices; to the Committee on Energy and Commerce.

By Ms. SNOWE:

H.R. 2696. A bill to amend the State Department Basic Authorities Act to provide for the payment of rewards for information regarding acts of international terrorism in the United States; to the Committee on Foreign Affairs.

By Mr. TANNER:

H.R. 2697. A bill to provide that certain service in the American Field Service ambulance corps shall be considered active duty for the purposes of all laws administered by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. TORRICELLI:

H.R. 2698. A bill to require persons entering into contracts with the Department of De-

fense to report commercial transactions they conduct with any terrorist country; to the Committee on Armed Services.

By Mr. WILSON:

H.R. 2699. A bill to add the Sabine River Blue Elbow Unit and the Addition to the Lower Neches River Corridor Unit to the Big Thicket National Preserve; to the Committee on Natural Resources.

By Mr. TAUZIN:

H.R. 2700. A bill to extend until January 1, 1998, certain previously existing temporary duty suspensions; to the Committee on Ways and Means.

H.R. 2701. A bill to extend the previously existing temporary reduction of duty on caffeine; to the Committee on Ways and Means.

By Mr. FALEOMAVAEGA:

H.R. 2702. A bill to amend the District of Columbia Stadium Act of 1957 to authorize the construction, maintenance, and operation of a new stadium in the District of Columbia, and for other purposes; to the Committees on the District of Columbia and Natural Resources.

By Mr. FIELDS of Texas (for himself and Mr. MARKEY):

H.R. 2703. A bill to require the National Telecommunications and Information Administration of the Department of Commerce to conduct a study of the feasibility of establishing a satellite-based educational network to provide educational programming to African children; to the Committee on Energy and Commerce.

By Mr. PORTER (for himself, Mr. LANTOS, Mr. HAMILTON, Mr. GILMAN, Mr. HOYER, Mr. HYDE, Mr. ACKERMAN, Mr. BURTON of Indiana, Mr. GEJENSON, Mr. MCNULTY, Mr. PETERSON of Minnesota, Mr. SWETT, Ms. SLAUGHTER, Mr. KOPETSKI, Mr. ABERCROMBIE, Mr. LIPINSKI, Mr. SERRANO, Mr. HUGHES, Mr. SCHIFF, Mr. MACHTELEY, Mr. WAXMAN, Ms. ROS-LEHTINEN, Mr. DELLUMS, Mr. BROWN of California, Mrs. MORELLA, Mr. FROST, Mr. BARCA of Wisconsin, Mr. SABO, Mr. DEUTSCH, Ms. MALONEY, Mr. FISH, Mr. BERMAN, Mr. HINCHEY, Mr. SMITH of New Jersey, Mr. HALL of Ohio, Mrs. UNSOELD, Mr. SCHUMER, Mr. SPRATT, Mr. LEACH, Mr. MYERS of Indiana, Mr. FINGERHUT, Mr. HASTINGS, and Mr. ENGEL):

H. Con. Res. 124. Concurrent resolution concerning the emancipation of the Iranian Baha'i community; to the Committee on Foreign Affairs.

By Ms. SNOWE:

H. Con. Res. 125. Concurrent resolution concerning the establishment of independent inspectors general at international organizations; to the Committee on Foreign Affairs.

By Mr. HOYER:

H. Res. 219. Resolution designating majority membership on certain standing committees of the House; considered and agreed to.

By Mr. WHEAT:

H. Res. 220. Resolution providing for consideration of the bill (H.R. 2667) making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes; House Calendar No. 70. House Report No. 103-187.

By Mr. GORDON:

H. Res. 221. Resolution waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes; House Calendar No. 71. House Report No. 103-188.

By Mr. MICHEL:

H. Res. 222. Resolution providing for the public release of documentation and testimony before the House Post Office Task Force; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

H.R. 2704. Mr. PETERSON of Florida introduced a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade of the United States for the vessel *Gypsy Cowboy*; which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 171: Mr. JOHNSON of Georgia.

H.R. 425: Mr. CARDIN, Mr. CLEMENT, Mr. CUNNINGHAM, Mr. DEUTSCH, Mr. FOGLIETTA, Mr. GIBBONS, Mr. GREENWOOD, Ms. HARMAN, Mr. HINCHEY, Ms. LAMBERT, Mr. LANCASTER, Mr. MANTON, Ms. MARGOLIES-MEZVINSKY, Mr. MENENDEZ, Mr. PARKER, Mr. SYNAR, Ms. THURMAN, Ms. VELAZQUEZ, and Ms. WATERS.

H.R. 427: Mr. CARDIN, Mr. CUNNINGHAM, Mr. DEUTSCH, Mr. FOGLIETTA, Mr. GIBBONS, Mr. GILLMOR, Mr. GREENWOOD, Ms. HARMAN, Mr. HINCHEY, Mr. KINGSTON, Ms. LAMBERT, Mr. LANCASTER, Mr. LEWIS of Florida, Mr. MANTON, Ms. MARGOLIES-MEZVINSKY, Mr. MENENDEZ, Mr. PARKER, Mr. SCHUMER, Mr. SYNAR, Ms. THURMAN, Ms. VELAZQUEZ, and Ms. WATERS.

H.R. 462: Mr. VALENTINE, Mr. McMILLAN, Ms. THURMAN, Mr. MURPHY, Mr. ROSE, Mr. STUMP, Mr. BRYANT, and Mr. YOUNG of Alaska.

H.R. 558: Mr. GILCHREST, Mr. ACKERMAN, Mr. WYNN, Mr. MICA, Mr. BAKER of California, Mr. ABERCROMBIE, Mr. GIBBONS, Mr. KANJORSKI, Mr. KYL, Mr. KIM, Mr. GENE GREEN of Texas, Mr. DINGELL, Ms. DELAURO, and Ms. SLAUGHTER.

H.R. 688: Mr. PARKER and Mr. CASTLE.

H.R. 749: Mr. WELDON and Mr. ENGEL.

H.R. 794: Mr. VENTO.

H.R. 795: Mr. CLYBURN.

H.R. 821: Mr. UNDERWOOD.

H.R. 830: Mr. YOUNG of Alaska, Mr. QUINN, Mr. SANTORUM, Mr. LEWIS of Florida, and Mr. BREWSTER.

H.R. 894: Mr. ORTON.

H.R. 911: Mr. PETE GEREN of Texas.

H.R. 937: Mr. JEFFERSON and Mr. LANTOS.

H.R. 962: Mr. SMITH of New Jersey and Mr. QUILLLEN.

H.R. 1009: Mr. PAXON.

H.R. 1015: Mr. RICHARDSON.

H.R. 1120: Mr. WASHINGTON.

H.R. 1141: Mr. MILLER of Florida.

H.R. 1257: Ms. ESHOO.

H.R. 1295: Mr. BROWN of Ohio and Mr. KIM.

H.R. 1309: Mr. LANCASTER, Mr. KIM, Mr. ENGEL, Mr. KYL, and Mr. CRANE.

H.R. 1322: Mr. COYNE and Mr. ANDREWS of New Jersey.

H.R. 1406: Mr. MORAN, Ms. ROYBAL-ALLARD, Mr. THORNTON, Mr. HOEKSTRA, Mr. FARR, and Mr. ENGEL.

H.R. 1438: Mr. HASTINGS.

H.R. 1457: Mr. SHAYS, Mr. SCOTT, Mrs. SCHROEDER, Mr. YATES, Mr. Gutierrez, Mr. ANDREWS of New Jersey, Mr. McDERMOTT, Mr. BILBRAY, Mr. HINCHEY, Mr. ENGEL, and Mr. COYNE.

H.R. 1489: Mr. REED.
 H.R. 1504: Mr. OLVER.
 H.R. 1519: Mr. ABERCROMBIE.
 H.R. 1552: Mr. ENGEL and Mr. PAXON.
 H.R. 1595: Mr. BROWN of California.
 H.R. 1604: Ms. SLAUGHTER, Mr. FAWELL, and Mr. MICA.
 H.R. 1617: Mr. DURBIN Mr. FAWELL, Mr. REYNOLDS, and Mr. YATES.
 H.R. 1627: Mr. PETERSON of Florida, Mr. HANSEN, Mrs. LLOYD, Mr. SOLOMON and Mr. NEAL of North Carolina.
 H.R. 1707: Mr. PARKER.
 H.R. 1878: Mr. STRICKLAND.
 H.R. 1923: Mr. DIXON, Mr. ENGLISH of Oklahoma, and Mr. MCDERMOTT.
 H.R. 1933: Mr. DICKS and Mrs. UNSOELD.
 H.R. 1957: Mrs. LLOYD.
 H.R. 1987: Mr. NEAL of Massachusetts.
 H.R. 2050: Mr. EVANS.
 H.R. 2101: Mr. JOHNSON of Georgia.
 H.R. 2159: Ms. KAPTUR.
 H.R. 2199: Ms. ESHOO.
 H.R. 2241: Mr. BARLOW.
 H.R. 2253: Mr. SPENCE.
 H.R. 2254: Mrs. VUCANOVICH.
 H.R. 2315: Mr. SOLOMON.
 H.R. 2394: Mr. MARKEY and Mr. WASHINGTON.
 H.R. 2395: Mr. MARKEY and Mr. WASHINGTON.
 H.R. 2396: Mr. TORKILDSEN.
 H.R. 2415: Mr. FAWELL, Mr. DELAY, Mr. ARCHER, Mr. DREIER, and Mr. HERGER.

H.R. 2456: Mr. HUGHES, Mr. SMITH of New Jersey, Mr. WYNN, and Mr. HASTINGS.
 H.R. 2467: Ms. BYRNE, Mr. DIAZ-BALART, Mr. FROST, Mr. HUTTO, Mrs. LOYD, Mr. MYERS of Indiana, Ms. NORTON, Mr. PARKER, Mrs. ROUKEMA, Mr. SLATTERY, Mr. THORNTON, and Mr. WOLF.
 H.R. 2602: Mr. HOCHBRUECKNER, Mr. OXLEY, and Ms. MOLINARI.
 H.R. 2654: Mr. THOMAS of Wyoming and Mr. MCCRERY.
 H.R. 2661: Mr. BARLOW.
 H.J. Res. 11: Mr. ABERCROMBIE, Mr. ARCHER, Mr. BOEHLERT, Mr. BORSKI, Mr. CLYBURN, Mr. KANJORSKI, Mr. KNOLLENBERG, Mr. PARKER, Mr. PETERSON of Florida, Mr. POSHARD, Mr. QUINN, and Mr. SCHUMER.
 H.J. Res. 77: Mr. DEUTSCH.
 H.J. Res. 79: Mr. CALLAHAN, Mr. CRAPO, Mr. DEAL, Mr. DE LA GARZA, Mr. EDWARDS of Texas, Mr. EWING, Mr. GEKAS, Mr. GINGRICH, Mr. HYDE, Mr. JACOBS, Mr. KENNEDY, Mr. KLECZKA, Mr. KREIDLER, Mr. LEACH, Mr. LEVIN, Mr. LIVINGSTON, Mr. MANTON, Mrs. MEEK, Mrs. MORELLA, Mr. POSHARD, Mr. PRICE of North Carolina, Mr. RAHALL, Mr. REYNOLDS, Mr. ROGERS, Mr. SARPALIUS, Mr. SKEEN, Mr. TAYLOR of North Carolina, Ms. THURMAN, Mr. WAXMAN, Mr. HEPNER, Mr. LANCASTER, Mr. LEWIS of California, Mr. MCHUGH, Mr. SWETT, Mr. TORRICELLI, Mr. UNDERWOOD, and Mr. YOUNG of Florida.

H.J. Res. 86: Ms. SLAUGHTER, Mrs. VUCANOVICH, Mr. McNULTY, Mr. VALENTINE, and Mr. PASTOR.
 H.J. Res. 106: Mr. CRAMER, Mr. FAZIO, Mr. JEFFERSON, Mr. MINETA, Mrs. MINK, Mr. MYERS of Indiana, Mr. PICKETT, and Mr. SHAW.
 H.J. Res. 145: Mr. PACKARD, Mr. MICHEL, Mr. BILIRAKIS, Mr. COBLE, Mr. SHAW, Mr. SPENCE, Mr. WOLF, and Mr. GALLEGLY.
 H.J. Res. 157: Mr. HYDE, Mr. OXLEY, Mr. MANZULLO, Mr. YOUNG of Florida, Mr. BILIRAKIS, Mr. LEWIS of Florida, Mr. REGULA, Mr. HOBSON, Mr. GILCHREST, Mr. UPTON, Mr. LAZIO, and Mr. BURTON of Indiana.
 H.J. Res. 198: Mr. SARPALIUS and Mr. MOLLOHAN.
 H.J. Res. 204: Mr. BEILENSEN, Mr. DEFazio, Mr. SHAYS, Mr. DELLUMS, Mr. GONZALEZ, Mr. GEKAS, Mr. LEWIS of Florida, and Mr. KENNEDY.
 H. Res. 134: Mr. ENGLISH of Oklahoma.
 H. Res. 143: Ms. DUNN and Mr. POMBO.
 H. Res. 148: Mr. CAMP.
 H. Res. 175: Mr. MCMILLAN.
 H. Res. 188: Mr. FROST, Ms. NORTON, Mr. WYNN, Mrs. SCHROEDER, Mr. MACHTLEY, and Mr. TORRICELLI.
 H. Res. 202: Ms. DANNER, Mr. BONIOR, Mr. INSLEE, and Ms. MARGOLIES-MEZVINSKY.

EXTENSIONS OF REMARKS

TRIBUTE TO W. MCNEIL LOWRY

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. YATES. Mr. Speaker, as I presented the Interior appropriations bill this week and engaged in our annual debate on the NEA, I thought often of my dear friend, W. McNeil Lowry, who was the Ford Foundation's first director of its arts and humanities program. Mac was a pioneer and major national force in the effort to improve the professionalism of theater in this country and he worked very successfully for many years to build private and public support for the arts. Mac died this spring and all of us are in his debt. I miss him greatly. The editorial by Peter Zeisler from the American Theatre magazine on his life and contributions "They Broke The Mold," says it all. The editorial follows:

[From the American Theatre, July/Aug. 1993]

THEY BROKE THE MOLD

(By Peter Zeisler)

When the history of the performing arts in 20th-century America is written, a very long chapter will be devoted to the extraordinary accomplishments of W. McNeil Lowry.

In his role as the first director of the Ford Foundation's Arts and Humanities program and subsequently as a vice president, Mac truly did "bestride the narrow world like a colossus." Using the prestige and resources of the largest private foundation in the world, he effected the incredible expansion of theatres, dance and opera companies, and symphony orchestras that took place throughout the country between the late '50s and the early '70s. As important as the grant support that he initiated was, his most lasting contribution will remain the development and enunciation of a credo concerning the role of the arts in this country. He showed us, by word and deed, how the nonprofit world of the arts could—and should—be organic and essential to the fabric of our society.

With Mac's death a few weeks ago, the mold was indeed broken. One wonders when—if ever—one individual will have the vision, courage and dedication, as well as the resources, to nurture and transform our nation's performing arts so profoundly.

Almost a decade before the establishment of the National Endowment for the Arts signaled the federal government's recognition of the arts, he had already developed the arts programs at the Ford Foundation. When Mac announced a program to enable theatre to establish extended residencies for actors in 1959, he explained, "The Foundation's action demonstrates its conviction that the theatre in America is a cultural rather than a commercial resource, and one which ranks in importance with music or the visual arts." Largely through this and other actions of the Ford Foundation, the theatre was increasingly accepted as an art form and not simply as an appendage of the "entertainment industry."

Other programs for artists were to follow: a travel and study program for directors; production support to playwrights whose plays were being produced in nonprofit theatres; grants to poets and novelists for year-long residencies at theatres; a program of awards to teams of theatre designers and architects to collaborate on new forms for theatre spaces.

Mac spent three years exploring with theatre professionals around the country how best to overcome the provincialism, isolation and haphazardness of communication among theatre people nationally, and in 1961, the Foundation announced the establishment of "a Theatre Communications Group that will facilitate the exchange of artists and other theatre personnel, and enable members to study each other's methods, with the ultimate aim of making the theatre more professional in training, creation and production."

Shortly thereafter, the Foundation awarded its first major underwriting to nine theatre companies—a total of \$6.1 million, an enormous sum in those days—representing a major commitment to the development of the nonprofit professional theatre. Concurrently, Mac retained the services of subscription expert Danny Newman, who worked through TCG to assist theatres in developing new and ongoing audiences. He took steps to augment the pool of skilled administrators by creating an Administration Intern Program that was to develop and train many of today's leading managers in all the performing arts.

And still the list of accomplishments goes on. While prodding and challenging trustees to develop stronger and more effective boards of directors, he also developed the concept of a "cash reserve program to stabilize and improve the financial position of the theatre, opera and dance companies." This program, and the discipline it imposed, was of crucial assistance to scores of performing arts organizations and is still in operation, independent of the Ford Foundation, at the National Arts Stabilization Fund.

But Mac's interest and encouragement was not limited to large "mainstream" organizations; he was an early champion of Ellen Stewart's Cafe La Mama and the leading experimental theatres of the '60s, as well as the emerging black theatre movement in New York and Los Angeles. Wherever Mac saw an opportunity to demonstrate how the theatre could reflect and speak for a community, wherever there was a way to strengthen these institutions administratively and fiscally, the Ford Foundation moved to fill the void. Between 1961 and 1976, two years after Mac retired, Ford awarded more than \$287 million to support the American theatre.

Yet what he made available to further the nonprofit professional theatre is only a small part of his legacy. He also helped stabilize and extend the seasons of many symphony orchestras; his assistance to the New York City Ballet was of crucial importance to achieving its preeminent status; his championing of new work in the opera field was of the utmost importance to the New York City Opera and the Chicago Lyric.

Mac's success as a philanthropist was due to his uncanny ability to listen. His career

started in journalism, and he had a reporter's eye and ear. The Ford Foundation arts programming was always based on what he heard and sensed from the field, rather than what he thought the field "should" do. A fierce believer in the vision of the artist, Mac invested his money in people. "A true theatre," he believed, "never starts with a building but with the fanatical determination of one driving talent."

For me, Mac's loss is incalculable. He was my mentor, friend and—on more than one occasion—co-conspirator (always undicted!) for more than 30 years. His wise counsel was crucial to Tyrone Guthrie, Oliver Rea and me as we made plans to launch the Guthrie Theater.

In the early '60s he functioned as a one-man national switchboard, his antennae sensing what was happening throughout the country. Forming TCG was really a natural extension of Mac himself—he was theatre's communications groupie!

His vision, his courage and his daring changed the face of the arts in America. We will be reaping the benefits of his wisdom for generations to come.

TRIBUTE TO FRANCIS M. DELUCO

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to an outstanding member of the Italian community within my 17th Congressional District of Ohio, Francis M. DeLuco. Mr. DeLuco's commitment to hard work and tradition gained him the 1993 Italian Man of the Year.

Mr. DeLuco's involvement with the Italian-American community has characterized him as a well respected and admired gentleman. He has given his precious time by working with St. Anthony Church Italian Mardi Gras celebration; St. Lucy Church 50th Anniversary celebration; and also, numerous Arco Veterans Club functions, as he serves as a charter member.

Mr. Speaker, Mr. DeLuco has maintained his Italian heritage in a variety of traditions. First, from 1960 to the present day, Mr. DeLuco has offered the area of Youngstown with superior Italian entrees from the family business, DeLuco Catering. His favorite preparations include homemade ravioli, lasagna, and my personal favorite Paloma Easter bread. Second, Mr. DeLuco has made an annual family event of superb wine making. A practice passed down from his father-in-law, Rodger Diorio, Mr. DeLuco welcomes the participation of the entire family.

Mr. Speaker, the tribute to Mr. Francis M. DeLuco is most deserving due to his community service, and I am proud to represent the Italian Man of the Year for 1993.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

SERIOUS PROBLEM WITH TRANSPORTATION APPROPRIATIONS BILL SEEN

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. MINETA. Mr. Speaker, tomorrow this House is scheduled to consider the transportation appropriations bill for fiscal year 1994, H.R. 2490. As chair of the Committee on Public Works and Transportation, I must inform my colleagues that there is a serious problem in this legislation as reported by the Transportation Appropriations Subcommittee.

To address this problem, the leadership of the Public Works and Transportation Committee will be offering an amendment to strike \$305 million in unauthorized highway projects from H.R. 2490. These funds were added to the bill by the Transportation Appropriations Subcommittee in direct violation of rule XXI of the House and over the objections of the Clinton administration.

Earlier this year, my good friend and colleague Chairman WILLIAM NATCHER of the full Appropriations Committee said, and I quote, "There will be no legislation in an appropriations bill. None." Until recently, this was true, but the violations of rule XXI in H.R. 2490 are so numerous that the House must take action.

Mr. Speaker, besides the violations of rule XXI, the most disturbing part of the transportation appropriations bill is the distribution and criteria used to select the 58 projects which comprise the \$305 million in unauthorized spending. Only a select handful of Members have had any input into this process, with the result that the \$305 million is being allocated unfairly to a small number of States. For example, Michigan is slated to receive \$109 million, which is more than one-third of the total amount of this unauthorized spending.

In fact, Mr. Speaker, because the existing highway aid formula was ignored in this process, 30 States will receive no money whatsoever from this \$305 million.

Tomorrow, during the House debate, it is my intention to offer an amendment that would put this money back where it belongs: into the basic highway programs authorized in 1991, overwhelmingly supported by both Houses of Congress, and supported by the States and localities that actually put this money to work rebuilding America.

To illustrate just how damaging the authorized projects provision now in H.R. 2490 will be to States throughout the country, here is a list of what each State would gain from the \$305 million as currently allocated in the transportation appropriations bill, and as would be corrected in the amendment I will offer with the ranking Republican member of the Public Works and Transportation Committee, BU SHUSTER.

State	H.R. 2490	Mineta-Shuster amendment and existing highway program
Alabama	\$2,000,000	\$5,057,277
Alaska		3,968,986
Arizona		4,039,988

EXTENSIONS OF REMARKS

	H.R. 2490	Mineta-Shuster amendment and existing highway program
Arkansas		3,183,908
California	14,860,000	27,789,012
Colorado		3,897,941
Connecticut		6,293,209
Delaware		1,305,166
District of Columbia		1,773,823
Florida	10,000,000	10,839,555
Georgia		8,272,730
Hawaii		2,265,079
Idaho		2,094,648
Illinois	3,900,000	11,232,152
Indiana	35,575,000	6,074,432
Iowa	2,500,000	3,954,445
Kansas	950,000	3,612,309
Kentucky	13,850,000	4,526,199
Louisiana		4,828,722
Maine		1,581,794
Maryland		4,820,712
Massachusetts		19,764,100
Michigan	109,300,000	8,040,927
Minnesota	16,250,000	4,436,113
Mississippi	1,000,000	3,469,495
Missouri	1,600,000	6,677,287
Montana		3,070,094
Nebraska	2,400,000	2,603,098
Nevada		1,957,168
New Hampshire		1,531,849
New Jersey		9,147,714
New Mexico	2,500,000	3,344,623
New York		17,116,687
North Carolina	14,500,000	7,322,327
North Dakota		1,967,014
Ohio	11,800,000	10,647,762
Oklahoma		4,105,262
Oregon		3,726,969
Pennsylvania	9,368,000	13,093,835
Rhode Island		2,000,000
South Carolina		3,941,088
South Dakota		2,111,432
Tennessee	2,900,000	6,199,557
Texas	19,650,000	19,446,680
Utah	12,432,000	2,372,784
Vermont		1,399,780
Virginia	14,078,000	5,960,214
Washington		6,133,423
West Virginia	3,750,000	2,982,316
Wisconsin		5,531,175
Wyoming		2,124,597
Puerto Rico territories		1,524,700
Total	305,000,000	305,000,000

Mr. Speaker, it is time to stop violating House rules, undermining national policy, and giving in to backroom political dealmaking. I urge my colleague to support the Mineta-Shuster amendment. This is the only way to return to a national policy that the American people will respect.

FISCAL YEAR 1994 INTERIOR APPROPRIATIONS

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. CLINGER. Mr. Speaker, during consideration of the fiscal year 1994 Interior Appropriations bill last Thursday, I inadvertently voted "no" on the Sharp-Klug-Swett-Upton amendment cutting funding for the Energy Department's Fossil Energy Research and Development Program for oil shale R&D when it was initially considered in the committee of the Whole. I intended to vote "aye" on Roll No. 325.

Also, I was unavoidably detained when the same amendment was voted on in the House later that day. If I had been present, I would have voted "aye" on Roll No. 336.

AMERICAN LEGION ANALYSIS OF NATIONAL SERVICE BILL

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. GOODLING. Mr. Speaker, during consideration of H.R. 2010, the "National Service Trust Act," several Members expressed their concern over the position that the American Legion held concerning national service. I thought that the analysis of the bill conducted by the American Legion would be of particular interest.

The comparison follows:

A COMPARISON: THE NATIONAL SERVICE PROGRAM VERSUS THE MONTGOMERY GI BILL

On April 30 President Clinton announced this national service initiative. This program would allow individuals age 17 or older to perform specified community service tasks, either full or part time, in exchange for at least a minimum wage salary and \$5,000.00 a year for a two year period to meet educational expenses. Participants would receive health care and child care, an annual stipend and auxiliary aids and services as needed. All this would be provided without facing the burden of a large monthly loan payment after graduation.

The intentions of the program are fair and laudable. The goal is to allow people to take low-paying community service jobs without worrying about loan repayment schedules and receive meaningful compensation for their efforts. The National Service Program (NSP) will be combined with a new system or direct student loans which allows the students to repay the loan based on their income. Together, the two programs give American youth a choice of two avenues to pursue higher education.

According to the October 21, 1992 issue of The Chronicle of Higher Education, the 1992-1993 average cost of tuition, fees, board and room at a four year public college or university is \$8071.00. The \$5000 per year national service program educational award, plus the community service job salary, plus the annual stipend allows the student to adequately meet his needs. Day-to-day expenses would be the student's responsibility. But, the law allows him to receive up to 200% of the annual VISTA subsistence rate from federal sources, and a supplementary or matching figure from the state. If the student meets certain other, somewhat lenient criteria, he can receive up to \$7400 per year in wages and stipends. Post-service stipends for VISTA volunteers range from \$95.00 per month for each month of service, to \$5000.00 annually. The option is even available for the student to receive the \$5000 per year educational award (not the stipend) before completing the community service job. This would allow use to the benefit before having met the necessary requirements. Thus far, this is still a laudable program, but begins to become more than fair; generous is a better term.

Considerable thought has gone into the development of certain, but not all, requisite criteria for this program as evidenced by the boundaries established for its use. Students using the program have five years to either perform their 1700 hours per year for up to two years of National Service, or complete their two years of education of training,

whichever they choose to do first. And, they may perform more than one 2 year term of National Service but may receive only one \$10,000.00 educational award. The service they perform will be in an area where the need is greatest as determined by state and local authorities, and the student may withdraw from the program and still receive subsistence, a portion of the stipend and a partial educational award. No procedures are yet identified for those who receive the educational award and then renege on the agreement to serve.

The program even allows participation by persons from other service programs such as the Peace Corps, Civilian Conservation Corps, ACTION, VISTA, and the Older Americans Volunteer Program. Initially, however, since the first year quota for National Service applicants is limited to 25,000, volunteers from other programs will be accommodated on a quota basis. Ultimately, more than 150,000 are expected to avail themselves of this program. In addition, they may use the National Service Program to augment the educational and training programs for which they were eligible in their previous volunteer service.

In view of these rather lenient eligibility requirements, the National Service Program is not only generous, but may be regarded as beneficial and rewarding. It has been referred to by some as the "civilian GI Bill".

The President's vision of this program draws upon the inspiring model of the GI Bill of Rights, which put millions of World War II veterans into college classrooms and made them the best educated and most productive workers in American history. In fact, the original GI Bill has been regarded as one of the finest pieces of legislation ever enacted by Congress. The Harvard Business Review in 1992 stated the veterans' enthusiastic response to the Bill signaled a shift by the world from an industrial based society to a knowledge based society.

Others have noted that the progress made GI Bill educated veterans in the workforce and the professions has dramatically changed the image of veterans. Before the GI Bill, veterans were considered homeless derelicts because so many were unable to find work upon returning from previous wars.

Since 1944, more than 20 million veterans and dependents have participated in GI Bill education and training programs totaling more than \$70 billion. It has been estimated that during the lifetime of the average veteran the U.S. Treasury receives from two to eight times as much in income taxes as it paid out to the veteran in GI Bill education benefits.

In the past the GI Bill has encountered some loss of funds through overpayments. Exact amounts of losses in GI Bill benefits are elusive because the majority of them occurred in the post-Korean War and early Vietnam era GI Bills. We do know however, that funds paid to both schools and to the veterans themselves were as a result of failure to report attendance and changes in enrollment. Today's continuous monitoring by the Debt Management Service of the Veterans Benefits Administration shows overpayment at \$112 million by the end of 1992. Since the institution of monthly certifications by both the veteran and the school, the losses have been dramatically minimized and the overpayment rate has dropped significantly since the mid 1970's.

A March 1993 financial audit of the Guaranteed Student Loan Program done by the General Accounting Office indicates accountability measures were employed but

were inadequate. The GAO evaluation indicates that as of September 30, 1992, the Department of Education reported that since fiscal year 1966, it had guaranteed approximately \$142 billion in student loans, paid about \$35 billion in interest subsidies and disbursed about \$19 billion in gross default payments. Actions are underway to improve program oversight.

Over the years the GI Bill has been modified for use by more recent generations of GI's to serve the same purposes. However, while the educational outcome of the bill is still intact, entry into its eligibility has changed significantly.

Under the current Montgomery GI Bill (MGIB), enrollment is not automatic. A participant must agree to pay \$1200.00 during the first year enlistment of active military duty to be eligible for the program. For 12 months \$100.00 a month is deducted from a participant's wages. At the completion of the three year enlistment the participant is entitled to \$400.00 a month for 36 months as a full-time student. This figure is about 42 percent of the national average cost of tuition to attend a state supported university. This money is intended to cover tuition, fees, board, room, books and living expenses. If the participant is a part-time student, the entitlement is reduced. There are no provisions for health care, child care, subsistence or a stipend. If the veteran is married with children and financial obligations, the veteran and spouse must find employment to remain solvent, invest in a private health care program and seek their own employment opportunity while in school, and after he graduates.

Veterans anticipating use of the MGIB must serve their period of enlistment honorably, must have a high school diploma, or the equivalent, must use it at either an accredited college or university or a Department of Veterans Affairs sanctioned training course, and do so within 10 years of discharge from the service. A careerist may use the MGIB while on active duty but must schedule class attendance around duty requirements. His readiness in his primary military specialty takes precedence over personal training or formal educational objectives. Frequently readiness means deployment to far flung geographical areas throughout the world. This means educational continuity is disrupted and G.I. Bill funds spent in advance are irrecoverable.

The veterans may not use MGIB funds to repay old education or any other kinds of debts, may not use the MGIB in concurrence with any other federally financed program, may use the MGIB only after making contribution into it and after three years of service, and must meet specific educational qualitative standards to continue to receive the benefits. If the participant has family responsibilities, he is expected to meet those as well. Nothing is given to him. He earns MGIB benefits in advance, he pays into it and obtains eligibility through his service to federal and national commitments.

The National Service Program clearly exceeds the benefits derived from the Montgomery GI Bill. After considering these two programs and the social and professional factors that now diminish military service, such as family separation, military pay freezes, limited cost-of-living allowances, eroding retirement benefits, unpredictable terms of service and duty in Iraq, Somalia or Bosnia, military service is less attractive than National Service. If given a choice of living in a tent and eating MRE's somewhere in Africa or living in an apartment and play-

ing basketball everyday in a city park with children, it is obvious what the choice will be of American youth. Moreover, the caliber of the young military recruit of the future will most probably be less than it is today.

We are already seeing a decrease in the qualifications among those being recruited by today's army. The Chairman of the Joint Chiefs of Staff recently stated there were drops reported in the percentage of high school graduates among new recruits and a substantial decline in the numbers of young men considering enlistment in the last two years. The reasons cited were reduced career opportunities and the arduousness of military life. Furthermore, pay comparability between the armed forces and the civilian sector is still a goal, not a reality. Why then would a young person choose military service over national service? It is likely he would not.

Probably a more balanced view between the two programs can be seen when one does a side-by-side dollar value comparison. When the values are evaluated and we consider that some benefits derived from participation in other programs such as VISTA, the Peace Corps, ACTION program and others, are transferable for use when a young person enlists in the National Services Program, the breadth and value of opportunity is nearly incalculable.

MONETARY BENEFITS

	NSP	MGIB
Initial investment	(4)	\$1,200
Amount of education award	\$10,000	\$14,400
Minimum wage salary (\$5.00 hr, 1,700 hrs.)	8,500	(4)
Stipend provided (\$95.00 mo, 24 mo.)	2,280	(4)
Reimbursement for expenses incurred	Yes	(4)
Child care value	26,700	(4)
Health care value	2,880	(4)
Total program value	\$30,360	\$14,400

¹ 24 months.

² 24 months (estimated).

³ 36 months.

⁴ None.

Options to the above costs must also be considered. For example the National Service Program allows both a doubling of the stipend and the minimum wage salary in certain circumstances. Those would add an additional \$10,780.00 to the value of the National Service Program. It also should be recognized that the NSP value is spread over twenty four months and the MGIB program value is spread over thirty-six months. Even if the NSP were divided between 12 months of national service and 24 months of education, the NSP would be valued at more than the MGIB.

Reimbursement for transportation expenses are also offered by the NSP. This can mean a minimum outlay of personal funds to sustain one's self in the performance of national service duties. Most employees in any other civil occupation would be expected to fund their transport to and from work at their own expense. If more fortunate, however, they could be paid a small transportation differential. The veteran subsisting on the MGIB receives no such benefit.

Another, perhaps more germane, question The American Legion is concerned about is program management. According to the general principles outlined for the program is the establishment of a national level corporation to serve as the unifying, administrative structure. Presumably, they will set goals and objectives, approve suborganizations at state levels, set the guidelines for program users and monitor the two sub components, the National Service Program and the Volunteer Program divisions.

While screening selection and assignment of applications to service work will initially

receives the highest visibility, dispersal of funds from this multi-million dollar initiative will be equally important, but less visible. It is this latter point that is also of concern. Lines of fiscal accountability are not clearly established in the program, nor are appropriate safeguards against fraud, waste and abuse.

Unlike the MGIB, this program does not have clear and stringent application criteria and lacks constraints that will assure the service will be performed to the satisfaction of program objectives, either before or after the educational award is made.

Also unlike the MGIB, very specific eligibility criteria to assure that those who really need this program are accepted into it. The program purpose is defeated if its benefits to individuals who can afford the time or funds to make their own investments into their futures.

This is not to say a "means test" is required. It is simply common sense and rational, that the persons who have the motivation to perform the national service and can least afford to pay their own way through formal education or vocational education, are selected as beneficiaries.

Now let's talk about efficiencies. It is both instructive as well as informative to examine the student loan and assistance programs that are already available. And, one need not demonstrate scholastic or athletic prowess in order to avail themselves of some of them. These are programs that are in addition to the educational and volunteer requirements of programs like VISTA, the Peace Corps, the Montgomery GI Bill, ACTION and EXCEL.

Cost of attendance loans: Includes tuition, fees, room and board. This is campus-based aid.

Expected family contribution: This is a joint family/school cooperative loan. The school portion is campus-based aid.

Independent student loan: This is available for students over the age of 24 who have no parental financial tie. This is campus-based aid.

Merit scholarship: This is a grant based on achievement, not on need. This is campus-based aid.

Need-Based Aid: This is offered through loans, grants or work-study programs. School contribution varies. Federal funds contribute.

Need-Blind Admissions: Application for admission overlooks students ability to pay. This is campus-based aid.

Pell Grant: This is for undergraduates with demonstrated financial need. This is federally funded.

Perkins Loans: This is a low interest loan program made to institutions for needy students. This is federally funded.

Stafford Loans: This is a low interest loan program from commercial banks. The federal government pays the loan interest while the student is in school.

Supplementary Educational Opportunity Grants: A grant program offered directly by schools. This is federally funded.

Title IV Program: This is a combination of some of the above programs and aid programs from the Department of Education. This is federally funded.

So, while its helpful to know of the availability of these programs, its even more curious why there is need of another program. The Legion questions first of all, whether it is necessary to offer a new program only to add health and child care benefits, and a service oriented job; or is it necessary to provide a new program simply to inspire volunteerism.

Community service programs using paid or unpaid volunteers have likewise, been around for years. If the individual's primary motivation is to do public service, and education is secondary, several programs exist that are federally funded. Six of them are overseen by the Commission on National Community Service. These programs were funded in FY 1993 at \$191.5 million. These programs include: Conservation and Youth Service Corps; Serve-America; Higher Education; National Service Demonstration Programs; Civilian Community Corps; and Civilian Community Corps Defense Downsizing Projects.

Another seven community service programs are overseen by ACTION, an independent governmental agency specifically chartered to administer service activities. These programs were funded in FY 1993 at \$339.1 million. These programs include: VISTA; RSVP; Foster Grand parents; Senior Companion Program; Student Community Service Program; Special Volunteer Program; and VISTA Literacy Corps.

Finally, seven other programs exist that bring together a combination of community service opportunities and participation benefits. These programs were funded in FY 1993 at \$876 million. These programs include: The Peace Corps; Community Service Learning Program; National Health Service Corps; Senior Community Service Employment Program; National Guard Civilian Youth Opportunities Pilot Prgm.; Points of Light Foundation; and HOPE VI.

Education programs and paid or unpaid volunteer programs have coexisted for years as either separate entities or interdependent programs. The question therefore is: What is the goal of the National Service Program? If it is to offer educational opportunities to young people, whether needy or not, why can't a simpler method be employed to amend an existing student loan or grant program to add the provisions of the National Service Program?

If the objective is to recruit more volunteers to participate in essential community service programs to help solve serious social ills in towns and cities, why can't an existing community service program be amended to add these inviting benefits? It seems as though the taxpayers of the United States now have a solution and only need a problem to solve.

The last concern of The American Legion that gives us pause, is the choice of a House Congressional committee that will serve as the jurisdictional authority for the National Service Program. This program has been referred to the Subcommittee on VA, HUD and Independent Agencies under the Committee on Appropriations. This subcommittee appropriates on the order of \$89 billion of revenue to 15 different agencies of the government. It is made up of ten members from various states and who have differing interests.

Of major concern is that the National Service Program is estimated to cost \$394 million for first year funding in FY 1994. By the time the program is four years old it is estimated it will cost at least \$3.4 billion a year. This includes not only money for education grants, but includes child and health care, wages, stipend costs and the funds just to administer the program as well. Some government officials and certain outside observers have estimated it even higher.

The Administration estimates the total cost per participant, including loan forgiveness, would be similar to that in the VISTA program, which last year cost \$16,000.00 per

participant. Since students would be able to remain in the program for two years, the cost per student would rise to \$32,000.00. As the program matures it is estimated to cost \$22,667.00 per year per student by the time the program is five years old. However, as you can see by the estimates on page 7, program dollar value exceeds that in the first year.

The students it will benefit in the first year are estimated to total 25,000. By the fourth and subsequent years approximately 150,000 total students are scheduled to be maintained on the service rolls of this program alone. This is in addition to the more than 580,000 volunteers on whom the government spent \$1.5 billion in FY 1993 for existing and continuing community service and education programs. Because the loan forgiveness amount of \$5,000.00 per year is far more generous and exceeds other forms of federal tuition assistance, the 7.1 million people who benefit from all other existing programs are likely to clamor for similar assistance.

Where the subcommittee will obtain its funding to meet the requirements of the National Service Program is yet to be determined. The American Legion fears a large, unaffordable portion of it will come from the Veterans Affairs appropriation.

Now that we have prepared a comparison between the National Service Program and the MGIB, The American Legion believes there is less fairness, equity and balance between the two programs than originally thought. It appears as though there is an imbalance and the National Service Program is in competition with and created at the expense of the Montgomery GI Bill.

Before closing this discussion it is appropriate to take a moment to make one more point about the concept of national service. The linkage of national service with the armed forces is a natural one. The military has a long tradition of service to communities, states and the nation. It has often been in the forefront in carrying out social change such as equal opportunity, integration in the workplace and participating in programs for the disadvantaged. The military services have developed in millions of young men and women the attitudes, values, beliefs and characteristics that the nation will expect to be fostered by civil national service. In addition, military units, to include the National Guard and the reserves, have a long history of community ties and sacrifice. That tie has come in many forms other than defending national security. It is shown repeatedly in disaster relief and crisis response actions following local or regional catastrophes. It can be said that the military forces of the United States have never failed to respond to a call for national service.

In our view, military service represents the most selfless form of national service to the nation. No civil national service program could ever compare to the risks, hazards and sacrifices endured by our men and women wearing the uniform of their country.

The American Legion is not denouncing the national service program. Indeed, we have always supported such educational initiatives. And this program is more than generous to the nation's youth. It is simply unfair and imbalanced. As our National Commander, Roger A. Munson, stated: "We do think it is a strange set of priorities however, when those who are currently providing a national service to their country are entitled to less benefits than those who have yet to serve their nation. What do we say to the brave young men and women who served with distinction in Desert Storm and who at

this very moment are on-duty in Somalia, serving at sea and stationed in Europe, Korea and elsewhere? It is only right and just that we more adequately recognize the highest form of national service—service in the armed forces of the United States."

If in fact, voluntary enlistment, divestiture of independence, family separation and deployment to regional or foreign locations under austere or even hostile circumstances is the epitome of national service, then the military service member should have a choice of education programs after his enlistment is complete. Service with active duty, national guard or reserve units for specified periods of time deserve the same benefits as the proposed National Service Program. The two should not compete—they should compliment one another.

To be completely fair, impartial and balanced the two programs can coexist. If they cannot, one of them surely will wither and diminish in use and appeal. Today's veteran deserves a choice when he completes his enlistment—education from the MGIB or the National Service Program. After all, America's civilian youth have choices without the sacrifice. Why not reward the military veteran who has already made his sacrifice?

FOND MEMORIES OF LOWRY FIELD

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mrs. SCHROEDER. Mr. Speaker, as Lowry Air Force Base fades into history, I would like to share with my colleagues a brief elegy, "The Boys at Lowry Field (During the War Years)," penned by Flora Gasser. Lowry Air Base, named after hometown hero Francis B. Lowry, who was shot down over France during World War I, was dedicated in early 1938. The base was constructed on the grounds of the Agnes Phipps Memorial Tuberculosis Sanatorium at the eastern edge of Denver and was one of a series of installations built in and around Denver during the World War II era.

As Denver historians Stephen Leonard and Thomas Noel later wrote, these bases "transformed Aurora from a drowsy suburb, known for its jackrabbits and rattlesnakes, into Denver's most populous bedroom community." In fact, Aurora is now Colorado's second most populous city.

Flora Gasser's poem follows:

THE BOYS AT LOWRY FIELD

(During the war years)

It's not just a wartime base closing,
It's beyond those barracks we see,
Those so young, homesick air-men,
Are what will live in our memory.
You say them everywhere with that friendly
smile,
Those so numerous boys in blue,
We took them into our hearts,
And into our families too.
It's not the silent grounds we'll see,
Where the bugles will ring no more,
It's the boys, the wonderful boys,
Who were to leave for a foreign shore.
They made their time in our town,
Though the clouds were dark, more gay,
And the memory of those endearing boys,
Will never from our thoughts ally.
The drums of war beat on for them,

And their units then moved away;
While we prayed that those boys in blue,
Would come safely home one day.

Only stick and stone will now remain
And echoes of what went on before,
Of young voices, laughter, marching feet,
Of those who stormed Normandy's shore.

TRIBUTE TO THE CREW OF THE U.S.S. "LAKE ERIE"

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute to the sailors who make up the crew of the Navy's newest Aegis Class Cruiser, the U.S.S. *Lake Erie* [CG 70].

As elite members of the pre-commissioning crew, these fine sailors have worked long and hard to breath life into this remarkably capable national asset.

Mr. Speaker, the Battle of Lake Erie, for which this great ship is named, was fought on September 10, 1813. This now famous naval engagement marked the turning point in the War of 1812 in the West and led to the recapture of Detroit by American forces. The Perry's Victory and International Peace Memorial is located on South Bass Island, off Port Clinton, in my congressional district.

This newest ship of the line enters service armed with the Aegis system, an unprecedented defensive combat capability against high performance enemy aircraft and surface-to-air and submarine-launched missiles. It's radar will enable it to control all friendly aircraft in it's operating area and still have the capability for surveillance, detection, and tracking of enemy aircraft, missiles, or surface targets from the sea.

Its vertical launch system together with surface-to-air and Tomahawk missiles, its superior surveillance suite, and its integrated command and controls system, will ensure that this man-of-war can effectively target any potential adversaries' vulnerabilities while protecting our own forces, whether the battle takes place in open blue waters or within littoral regions of our world.

But most important, Mr. Speaker—the crew of the U.S.S. *Lake Erie* is part of the United States Navy team—the best-trained, most well-equipped, and most capable sailors ever put to sea.

I ask my colleagues to join me in saluting Capt. William H. Parks and the crew of the U.S.S. *Lake Erie*; to welcome them, their families, and their ship to the active fleet. Godspeed to the personnel of the U.S.S. *Lake Erie* as they assume the watch protecting America's vital interests.

TRIBUTE TO ANNA SACCHINI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Mrs. Anna Sacchini who was

nominated as the sixth annual Youngstown Italian Festival's Woman of the Year. Mrs. Sacchini has shown her dedication to the Youngstown community through years of tireless service in a variety of organizations. Her commitment to the Italian-American community in particular has been especially notable and has made her one of our most respected and admired citizens.

After emigrating from Italy to the United States in 1925, Anna married Mr. Umberto Sacchini and settled in Youngstown. After settling down with her husband on the east-side of town, Mrs. Sacchini became involved in the Italian community, helping recent immigrants prepare their applications for citizenship and explaining unfamiliar American cultural traditions and customs. From this beginning developed a lifelong commitment to helping and promoting the Italian-American community in Youngstown.

Mrs. Sacchini's next accomplishment was the founding, organization, and day-to-day management of the Eastside Pilgrimage Club in which she oversaw trips to religious sites throughout North America and Canada. In addition, Mrs. Sacchini joined Our Lady Mount Carmel Church and became active in numerous clubs and organizations including the Italian-American War Veterans Auxiliary, the East Side Italian Women's Pearl Street Mission Club and the Second Ward Italian-American Political Club, where her energy and dedication to the Italian-American community are legendary.

Not only is Mrs. Sacchini's community activism legendary, but so is her cooking. Indeed, so renowned is Mrs. Sacchini's food, that she is now a supplier to the U.S. Navy. After receiving a request for homemade cookies from an ensign on a U.S. Navy vessel, Mrs. Sacchini agreed to supply the lucky sailor with her best baked confections. She also regularly bakes bread and pizza and even makes her own pasta, often sharing them with friends and neighbors.

Mr. and Mrs. Sacchini have two children: Joseph L. Sacchini and Sylvia Gustinella and three grandchildren: Joseph J. Sacchini, Thomas J. Gustinella, and Mrs. Linda Gustinella-Smrek. Mrs. Sacchini also has two great grandchildren, Michael Francis Smrek and her namesake, Anne Marie Smrek, ages 3 and 1 respectively.

Mrs. Sacchini's adulthood spanned most of the era before "career woman" became an acceptable term. If times were different, she would have undoubtedly met the challenges of a career as successfully as she met those of motherhood and community. Nevertheless, her activism has left an indelible mark in the community and respect for her achievements is widespread. It is through her efforts that the Italian-American community in Youngstown has achieved its greatness and has recognized the importance of preserving the Italian customs and heritage we hold so dear.

TRIBUTE TO CAPT. THOMAS M.
HEDDERSON, USN

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Ms. MOLINARI. Mr. Speaker, I would like to pay tribute to a man who has had a distinguished military career and to thank him for his honorable service to our country. Capt. Thomas M. Hedderson will retire from the U.S. Navy on September 1, 1993, after 26 years of service.

As a native of Brooklyn, NY, Captain Hedderson graduated from the U.S. Naval Academy in 1967. He was commissioned as an ensign and began his successful career as an officer when he was first assigned as a communications officer on the U.S.S. *Wallace L. Lind*. His training continued and his assignments progressed, including stints as weapons officer aboard the U.S.S. *Charles H. Roan*, combat systems officer aboard the U.S.S. *Farragut* and instructor in antisubmarine warfare at the Fleet ASW Training Center Atlantic.

As his career developed, so did the complexity of his tours of duty. He was selected for the Navy's Material Professional Program and was assigned to Naval Sea Systems Command as a combat systems engineer. After that, he was assigned to the Pentagon, where he worked in the maintenance directorate in the Office of the Assistant Secretary of Defense for Production and Logistics. Later, he returned to the Naval Sea Systems Command. He now serves as special assistant for material professional policy on the staff of the Chief of Naval Personnel and under the Navy's Director of Acquisition Career Management. On top of all this, Captain Hedderson was awarded 13 commendations and medals, including the Meritorious Service Medal.

Mr. Speaker, it is a privilege for me to have this opportunity to honor Capt. Thomas M. Hedderson. He has had a distinguished career and has demonstrated considerable commitment to our Nation. I would also like to take this chance to thank his wife, Carol, and their son, Michael, who supported Captain Hedderson's career. It is an honor to have this opportunity to thank Capt. Thomas M. Hedderson for his dedication and service.

A POLICY OF EAST ASIAN
ENGAGEMENT: I

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. HAMILTON. Mr. Speaker, last week President Clinton presented his views on U.S. economic policy toward East Asia to an audience at Waseda University. The President charted a course of active engagement in the world's most dynamic economic region. He described the opportunities which exist for the United States in East Asia, and gave a balanced assessment of the source of trade problems.

Mr. Speaker, I believe that the President's address will be of great interest to our colleagues.

President Clinton's address follows:

REMARKS BY THE PRESIDENT TO STUDENTS AND FACULTY OF WASEDA UNIVERSITY, WASEDA UNIVERSITY, TOKYO, JAPAN

Thank you very much. Mr. President, thank you for that introduction. I foolishly came out here without my earphones, so I don't know what he said to make you laugh—(laughter)—or what he said about Robert Kennedy. So I should give a speech about how we need to train more Americans to speak good Japanese. Perhaps someday an American president will come here and give a speech to you in your native language. Then I will know we are really making progress in reaching across the barriers that divide us.

It is a great pleasure for me and for the First Lady to be here at this distinguished university today. Waseda is a center of true academic excellence and a training ground for many of Japan's most distinguished leaders. I am proud to be the first American President to visit here.

But as has already been said, 31 years ago another American whom I admired very much, Robert Kennedy, spoke in this hall. It was a very different time. The modern economies of Japan and Asia were just emerging. It was the middle of the Cold War. Fierce arguments raged here, as in other nations, about where the future lay—with communism or democracy, with socialism or capitalism. On that evening in 1962, those arguments spilled onto this stage. When members of the student-communist movement heckled Robert Kennedy, he challenged their leader to come up and join him. In his characteristic way, Kennedy transformed a diatribe into a dialogue and cold-mindedness into an open debate.

That is what I hope we will have here today. The exchange that followed was heated, but it demonstrated the best of the values of freedom and democracy that our two nations share. Three decades later, on this day in this place, the times are very different, but no less challenging. The need for vigorous and open dialogue remains.

The time has come for America to join with Japan and others in this region to create a new Pacific community. And this, to be sure, will require both of our nations to lead, and both of our nations to change.

The new Pacific community will rest on a revived partnership between the United States and Japan, on progress toward more open economies and greater trade, and on support for democracy. Our community must also rest on the firm and continuing commitment of the United States to maintain its treaty alliances and its forward military presence in Japan and Korea and throughout this region.

Is it appropriate? I believe it is—to address these issues here in Japan. The post-Cold War relationship between our two nations is one of the great success stories of the latter half of the 20th century.

We have built a vital friendship. We continue to anchor this region's security and to fuel its development. Japan is an increasingly important global partner in peacekeeping, in promoting democracy, in protecting the environment, in addressing major challenges in this region and throughout the world. Because our relationship has been built on enduring common interests and genuine friendship, it has transcended particular leaders in each country and it will continue to do so.

History has decided the debate that raged here in 1962—a debate over whether communism works. It didn't. Its ruins litter the

world stage. Our two nations have proved that capitalism works, that democracy works, that freedom works. Still, no system is perfect. New problems and challenges constantly arise. Old problems deeply rooted in cultures and prejudices remain.

To make the most of this new world, we both must change. As Robert Kennedy once noted, "Progress is a nice word, but its motivator is change, and change has its enemies."

The Cold War passed from the world stage as the global flow of information pierced the Iron Curtain with news of other ways of living. And the world moved steadily toward a more integrated global economy. Money, management and technology are increasingly mobile today. Trillions of dollars in capital traverse the globe every day. In one generation international trade has nearly tripled as a percentage of global output. In the late 1980s increased trade accounted for well over half of the new jobs in the United States.

Meanwhile there have been huge changes in the organization and the nature of work itself. We are moving away from an economy based on standardized mass production to one dominated by an explosion of customized production and services. The volume of information is increasing at an astonishing rate. Change has become the only constant of life. And only firms that are flexible and innovative with very well-trained people are doing very well.

The new global economy requires little explanation here in Japan. You have pioneered the modernization of Asia. Now from Taipei to Seoul, from Bangkok to Shanghai, Asian economies are growing at dramatic rates, providing jobs and incomes, providing consumer goods and services to people who could not have even dreamed of them just a generation ago.

To be sure, Asia's progress is uneven, there are still millions in abject poverty. Four of the world's last five communist regimes and other repressive regimes continue to defy the clear laws of human nature and the future. But the scenes of life in this region paint an unmistakable picture of change and vitality and opportunity and growth.

A generation ago in Singapore, bumboats floated up to Boat Quay to unload their cargoes of produce and cloth which were sent out into a labyrinth of smoky shophouses and small family markets. Today such scenes are joined by those of container ships steaming into Singapore's modern port—one every six minutes—disgoring their goods into mechanized warehouses and modern supermarkets. In China's Guangdong Province, young entrepreneurs are leaving safe jobs in state-owned enterprises to start their own companies. To describe their daring spirit the Chinese have coined a phrase that literally means "to plunge into the sea."

Such images help to explain why Asia likely will remain the world's fastest growing region for some time. Its imports will exceed \$2 trillion U.S. dollars. This growth will help to make a tripolar world, driven by the Americas, by Europe, and by Asia.

In years past, frankly, some Americans viewed Asia's vibrancy and particularly Japan's success as a threat. I see it very differently. I believe the Pacific region can and will be a vast source of jobs, of income, of partnerships, of ideas, of growth for our own people in the United States—if we have the courage to deal with the problems, both of our nations have within and beyond our borders.

Already over 40 percent of American trade is with this region. Last year, over 2.3 million American jobs were related to the \$120

billion we exported to Asia. Millions of Asian Americans in the United States today embody our nation's devotion to family values, to hard work, to education. In so doing, they have helped to strengthen our cultural ties and our economic ties to this region.

Today, our nation is ready to be a full partner in Asian growth. After years of difficult transition, our private sector is embracing the opportunities and meeting the challenges of the global economy. Productivity is on the rise. Attempts to pierce overseas markets are more intense than ever. Many of our manufacturing service and financial firms are now the high-quality, low-cost producers in their fields.

At last, our governmental sector in the United States is also moving in the right direction. After years of being urged by Japan and by other nations to do something about the massive American budget deficit, we are on the brink of doing something about it. After years of being urged to do something about improving our education system and making our manufacturing and other sectors more productive and more competitive, we are doing something about it.

We are nearing the adoption of a bold plan to reduce our public deficit by \$500 billion over the next five years, and to increase our investments in education, in technology and in new jobs for the American people. We are moving to reform our health care system, the world's most expensive, to control costs and provide quality care to all of our people. We are moving to give incentives to the millions of Americans who live in poverty so they will move from poverty into middle class working lives. We, too, are moving to reform our political system, to reduce the costs of our political campaigns and the influence of lobbyists on our lawmakers.

We are moving to face one of our most painful social problems, high rates of crime and violence, with new initiatives to put more police officers on our streets, give better futures to our young people in depressed areas, and keep guns out of the hands of dangerous criminals.

But it is not enough for the United States to change within. To increase the jobs, raise the incomes and improve the quality of life of the American people, we must also change our relationships with our partners and ask them to do the same.

Our first international economic priority must be to create a new and stronger partnership between the United States and Japan. Our relationship with Japan is the centerpiece of our policy toward the Pacific community. Our two nations account for nearly 40 percent of the world's output. Neither of us could thrive without the other. Producers in each of our countries are consumers for firms in the other.

We are also joined in our efforts to address global economic problems. We work closely in an effort to move toward a new trade agreement. And I hope Japan will join in the initiative I proposed just two days ago in San Francisco. A meeting of the senior G-7 economics and labor and education advisors to look into a new problem with the global economy. Stubbornly persistent unemployment in the richest nations of the world, even where there is economic growth, rooted in the inability of so many of these nations to create new jobs.

The economic relationship we have has always benefited both our nations, Americans buy huge volumes of Japanese products. American companies in Japan employ thousands of your citizens. Joint Ventures between Japanese and American enterprises

advance the economic and other interests of people in both nations. Japanese companies have opened many manufacturing firms, sales offices and other facilities in the United States.

In the 1980s when my country went on a huge debt binge, massively increasing public and private debt, Japanese purchases of much of that debt helped to keep our economy going and helped to prevent our interest rates from exploding.

Still, our economic relationship is not in balance. Unlike our relations with all other wealthy nations, we have a huge and persistent trade deficit with Japan. It usually exceeds \$40 billion with a deficit in manufacturing products in excess of \$60 billion, in spite of the fact that in recent years our manufacturing productivity has increased very greatly.

It is impossible to attribute this trade imbalance solely to unfair Japanese barriers from governmental policies to a unique distribution system. Indeed, it is in part simply a tribute to Japanese abilities to produce high-quality competitively-priced goods and to the skill of Japanese businesses in piercing so many overseas markets including our own.

Yet, it is clear that our markets are more open to your products and your investments than yours are to ours. And it is clear that governmental policies consistently promoting production over consumption, exports over domestic sales and protections of the home market contribute to this problem. The trade deficit is on the rise this year even with the market rise of the yen against the dollar. Though American purchases of Japanese products have remained fairly constant, Japanese purchases of American products have dropped markedly as a consequence of slow growth here in your economy with no offsetting government policies to stimulate demand.

This problem has, as all of you know, fueled resentment in our country both from workers and from businesses who have worked hard to streamline their operations, reduce labor costs and increase productivity and now want the benefits that can only come from being able to compete and win in a global economy. Our people understand when our nation has a huge trade deficit with an emerging economy like China. The same was true just a few years ago with Korea and Taiwan. But both those nations have moved closer to trade balance with the U.S. as they have become more prosperous. The same has not happened with Japan.

This persistent trade imbalance has not just hurt American workers and businesses; it has hurt the Japanese people. It has deprived you as consumers of the full benefit of your hard and productive work. For example, partly because of restrictive economic policies, the average Japanese family pays more than twice as much of your income for food as the average American family. And many other consumer products are far, far more expensive here than elsewhere, with these differentials going far beyond what can be accounted for by the transportation costs of bringing products to this market.

Our relationships with Japan have been durable not only because of our security alliance and our political partnership, but because our economic relationship has actually served our interests and yours. I believe we must change this economic interest to improve the lives not just of the American people, but of the Japanese people as well. It would be wrong for me to come here as President to ask you to embrace changes that

would only benefit the people who live in my country. I believe that the changes I advocate will benefit both of us or I would not be here pushing them.

During my April meeting with Prime Minister Miyazawa, we agreed to build a new framework for trade on macroeconomic, sectoral and structural issues. Now, I don't know how that translates into Japanese, but the average American has no idea what that means. (Laughter.) What it means is that we are going to try to deal honestly with the differences we have over our nation's economic policies. We want to talk about the specific sectors of the economy where we believe that more trade is warranted. We want to talk about structural differences between our two countries that operate as effective barriers to finding greater balance and greater volume of trade.

Our governments have made progress in these last few days in crafting the basic principles of this new framework. And we will persist until we can produce a sound agreement that is in the interests of people in both countries.

What the United States seeks—let me make clear—is not managed trade or so-called trade by the numbers, but better results from better rules of trade. Openness like this cannot simply come from pressure from the United States. That is one reason I wanted so much to be here with you today. A new openness can only come ultimately when Japanese leaders and Japanese citizens recognize that it is in your interests to pursue this course.

So today I would send this message to all of you and to the people beyond the walls here in this hall: You have a common cause with the people of America—a common cause against outdated practices that undermine our relationship and diminish the quality of your lives.

The ideas I propose are beneficial to both of us because they will increase the number and lower the costs of the products you are able to buy, the services you are able to access, and they will, thereby, reward the work, the education and the skills that you bring to daily life here in Japan. You are entitled to no less, and it will be a part of your role as a great nation for the foreseeable future to have that sort of open relationship.

We should take these steps together for ourselves and for future generations. I am optimistic that the people of Japan and the people of the United States can hear the same message and move toward the same goal.

Japan has, after all, a proud heritage of embracing bold change when the times call for it. Much of the success you have enjoyed in recent years comes from a phenomenal ability to adapt to the changing contours of the global economy. And over 120 years ago, the leaders of the Meiji Restoration embarked on a series of rapid and successful initiatives that transformed a feudal Japan into a modern society, making it more open to the West and the broader world without sacrificing the uniqueness of the Japanese culture.

On this campus today, there is a statute honoring one of the great statesmen of that period: this school's founder, Count Okuma. In his exhaustive narrative of the Meiji Restoration, Okuma attributes the period's reforms—and I quote: "to thoughtful and far-sighted Japanese leaders." And he concludes, "Even as the spirit of liberality has animated the Japanese race during the past half-century of its remarkable progress, so it will ever impel its march along the paths of civilization and humanity."

To keep the country's doors wide open is a national principal to which Japan has attached the greatest importance from its earliest days. I believe and hope that spirit still prevails, and that a stronger Japan-U.S. economic relationship, driven by mutual wisdom, can power our new Pacific community well into the next century.

The second building block of that community must be a more open regional and global economy. That means that, together, we must resist the pressures that are now apparent in all wealthy countries, to put up walls and to protect specific markets and constituencies in times of slow growth. We must resist them because the only way wealthy countries can grow richer is if there is global economic growth and we can increase trade with people who, themselves, are growing more prosperous.

An essential starting point is the successful completion of the Uruguay Round of the General Agreement on Tariffs and Trade. I am committed to doing that by the end of this year, and I hope that your government is also.

I believe we should also work to reduce regional trade barriers. That is what we in the United States are attempting to do in negotiating an agreement with Mexico and Canada. Not to close North America to the rest of the world, but to open it up. And perhaps we should consider Asian-Pacific trading areas as well.

The most promising economic forum we have for debating a lot of these issues in the new Pacific community is the Organization for Asian-Pacific Economic Cooperation, APEC. The 15 members of APEC account for nearly half of the world's output and most of the fastest-growing economies. This fall, we will host the APEC ministerial meeting in Seattle. I will speak at that meeting to signal America's engagement in the region. But I hope we can go beyond it. I am consulting with the leaders of APEC at this moment on a proposal that they join me in Seattle in an informal leadership conference to discuss what we can do to continue to bring down the barriers that divide us and to create more opportunities for all of our people.

In addressing common economic challenges we can begin to chart a course toward prosperity and opportunity for the entire region. Of course, the purpose of meetings like this is not simply more meetings and communiques, it is to improve our people's lives. Not just the lives of those who dash around financial districts in Tokyo or New York with cellular telephones in their pockets, but the millions of people in my country and the billions of people on the Earth who work hard every day in factories and on farms simply to feed their families and to give their children a better life than they have enjoyed.

It will make a world of difference to them if our leaders can set pro-growth policies, dismantle trade barriers, and get government out of the way. Expanded trade and more open economies will not only enrich people, they also empower them. Trade is a revolutionary force that wears down the foundations of despotic rule. The experiences of the Philippines, Taiwan, Korea, and others prove that the move toward more open economies also feeds people's hunger for democracy and freedom and more open political systems.

This then should be our third priority in building a new Pacific community—to support the wave of democratic reform sweeping across this region. Economic growth, of course, can occur in closed societies, even in

repressive ones. But in an information age, it cannot ultimately be maintained. People with prosperity simply crave more freedom.

Open societies are better able to address the frictions that economic growth creates and to assure the continuance of prosperity. A free press roots out corruption.

This spread of democracy is one of the best guarantees of regional peace and prosperity and stability that we could ever have in this region. Democracies make better neighbors, they don't wage war on each other, engage in terrorism, or generate refugees. Democracy makes it possible for allies to continue their close relations despite changes in leadership. Democracies virtues are at the core of why we have worked so hard to support the reforms and the reformers in Russia, which is now on a path toward becoming one of the Pacific's great democratic powers.

The movement toward democracy is the best guarantor of human rights. Some have argued that democracy is somehow unsuited for Asia or at least for some nations in Asia—that human rights are relative and that they simply mask Western cultural imperialism. I believe those voices are wrong. It is not Western urging or Western imperialism, but the aspiration of Asian peoples themselves that explain the growing number of democracies and democratic movements in this region. And it is an insult to the spirit and hopes and dreams of the people who live here to assert that anything else is true.

Each of our Pacific nations must pursue progress while maintaining the best of their unique cultures. But there is no cultural justification for torture or tyranny. We refuse to let repression cloak itself in moral relativism. For democracy and human rights are not occidental yearnings; they are universal yearnings.

These, then, are the economic essentials for this new Pacific community—one in which most of you, being so much younger than I am, will spend far more of your lives in than will I. A better U.S.-Japan relationship, more open economies and trade, more democratic governments—these things will make your lives better. I will pursue these goals vigorously. You will see that commitment reflected in what our administration does. Together we can make this decade and the coming century a time of greater security, democracy, prosperity and personal, family, community and national empowerment.

So, today, on this holiday of Tanabata, a holiday of joining together and hopeful wishes, let us wish for a new Pacific community build on shared effort, shared benefit and a shared destiny. Let us write out our brightest dreams for our children on pieces of paper as bright and differently colored and numberless as are the peoples of the Asian Pacific region. In the spirit of this holiday, let us fly those dreams from bamboo poles that are as high as our hopes for the era, and then, together, let us dedicate ourselves to the hard work of making those dreams come true.

Senator Kennedy was right when he said that change has its enemies. But, my friends, we can make change our friend.

A POLICY OF EAST ASIAN ENGAGEMENT: II

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. HAMILTON. Mr. Speaker, last week President Clinton addressed the National Assembly of the Republic of Korea. He presented his administration's continuing commitment to preserve the peace and maintain the balance of power in East Asia, with an appropriate sharing of responsibilities by our friends and allies. Such a policy is in the best interests of the United States. It should also be reassuring to many in the region who have feared that the end of the cold war would only lead to the end of American involvement.

Mr. Speaker, I believe that our colleagues will be interested in President Clinton's approach to the world's most dynamic region.

REMARKS BY THE PRESIDENT IN ADDRESS TO THE NATIONAL ASSEMBLY OF THE REPUBLIC OF KOREA, SEOUL, KOREA

Thank you very much, Mr. Speaker, leaders of the National Assembly, members of all political parties here present joined together in our common devotion to democracy.

It is a great honor for me to be here today with my wife, with the United States Secretary of State, the Secretary of Defense, with other military and political leaders from our government in this great hall of democracy.

I first visited your beautiful capital city five years ago. Since then, Korea's energy and culture have shown themselves in many new ways, your bustling capital has continued to grow. Your economy has continued to expand. Your nation hosted the Olympics and has taken its place as a full member of the United Nations. You have established new ties to Russia and to China. But no achievement is more important than the consolidation of your democracy with the election of a bold democrat, President Kim Young-Sam.

Geography has placed our two nations far apart, but history has drawn us close together. Ours is a friendship formed in blood as our troops fought shoulder to shoulder in defense of freedom. Then as Korea's economy became the miracle on the Han, we built an economic partnership that today exceeds \$30 billion in fairly well-balanced trade. Today, Korea's democratic progress adds yet another bond of shared values between our two peoples.

When President Truman sent American troops to Korea's defense 43 years ago, he said he aimed to prove that, and I quote: "Free men under God can build a community of neighbors working together for the good of all." Our efforts together since then have benefited all our peoples—not only the people.

Our relationship has made this region more secure, more prosperous, and more free. Now with the Cold War over and profound changes sweeping throughout your country, this whole populous region, and indeed throughout the world, we must create a new vision of how we, as a community of neighbors, can live in peace.

I believe the time had come to create a new Pacific community built on shared strength, shared prosperity, and a shared commitment to democratic values. (Applause.)

Today I want to discuss the fundamentals of security for that new Pacific community and the role the United States intends to play. I had the opportunity just a few days ago at the G-7 summit in Tokyo to travel to Waseda University to talk about the economic aspects of that new partnership. And I think clearly all the economic reforms that we can make will benefit a great market system like Korea.

But we must always remember that security comes first. Above all, the United States intends to remain actively engaged in this region. America is, after all, a Pacific nation. We have many peoples from all over Asia now making their home in America, including more than 1 million Koreans. We have fought three wars here in this century. We must not squander that investment.

The best for us to deter regional aggression, perpetuate the region's robust economic growth, and secure our own maritime and other interests is to be an active presence. We must and we will continue to lead.

To some in America there is a fear that America's global leadership is an outdated luxury we can no longer afford. Well, they are wrong. In truth, our global leadership has never been a more indispensable or a more worthwhile investment for us. So long as we remain bordered by oceans and powered by trade; so long as our flag is a symbol of democracy and hope to a fractious world, the imperative of America's leadership will remain.

I believe there are four priorities for the security of our new Pacific community. First a continued American military commitment to this region. Second, stronger efforts to combat the proliferation of weapons of mass destruction. Third, new regional dialogues on the full range of our common security challenges. And, last, support for democracy and more open societies throughout this region. (Applause.)

The bedrock of America's security role in the Asian Pacific must be a continued military presence. In a period of change, we need to preserve what has been reliable. Today we,

Those agreements work because they serve the interests of each of the states. They enable the U.S. Armed Forces to maintain a substantial forward presence. At the same time they have enabled Asia to focus less energy on an arms race and more energy on the peaceful race toward economic development and opportunity for the peoples of this region.

The contribution Japan and Korea made a defray the cost of stationing our forces underscores the importance of that presence to both of those countries. There is no better example of that commitment than our alliance with your nation. As the Cold War recedes into history, a divided Korea remains one of its most bitter legacies. Our nation has always joined yours in believing that one day Korea's artificial division will end. (Applause.)

We support Korea's peaceful unification on terms acceptable to the Korean people. And when the reunification comes, we will stand beside you in making the transition on the terms that you have outlined. But that day has not yet arrived. The Demilitarized Zone still traces a stark line between safety and danger. North Korea's million men in arms, most stationed within 30 miles of the DMZ, continues to pose a threat. Its troubling nuclear program raises questions about its intentions. Its internal repression and irresponsible weapons sales show North Korea is not yet willing to be a responsible member of the Community of Nations.

So let me say clearly, our commitment to Korea's security remains undiminished. The Korean peninsula remains a vital American interest. Our troops will stay here as long as the Korean people want and need us here. (Applause.)

We lost tens of thousands of America's best in Korea's mountains and mud and sky. But Korea lost millions. That sacrifice affirmed some old truths: vulnerability invites aggression. Peace depends upon deterrence. We cannot forget those lessons again.

And so it is throughout the region. Our commitment to an active military presence remains. Our mutual agreement with the Philippines to close our bases there should not be cause for Asian alarm. The larger picture tells a different story. We have obtained increased access for our forces throughout Southeast Asia to facilitate our presence, and if necessary, to project our forces beyond the region.

Here in Korea we have frozen American troop withdrawals and are modernizing Korean and American forces on the peninsula. We have deployed to Japan the Belleau Wood Amphibious

The second security priority for our new Pacific Community is to combat the spread of weapons of mass destruction and their means of delivery. We cannot let the expanding threat of these deadly weapons replace the Cold War nightmare of nuclear annihilation. And today, that possibility is too real.

North Korea appears committed to indiscriminate sales of the SCUD missiles that were such a source of terror and destruction in the Persian Gulf. Now it is developing, testing and looking to export a more powerful missile with a range of 600 miles or more—enough for North Korea to threaten Osaka, or for Iran to threaten Tel Aviv.

We have serious concerns as well about China's compliance with international standards against missile proliferation. And since both you and we are attempting to engage China in a more extensive trade relationship, I hope together we can have a positive influence against that development.

The Pacific nations simply must develop new ways to combat the spread of biological, chemical, and missile technologies. And in the coming weeks, the U.S. will propose new efforts aimed at that goal. But no specter hangs over this peninsula or this region more darkly than the danger of nuclear proliferation. Nearly 160 nations have now joined to resist that threat through the Nuclear Nonproliferation Treaty—the most universally supported treaty in all history.

Now, for the first time since that treaty was open for signatures, one of its members has threatened to withdraw. Our goals remain firm. We seek a nonnuclear Korean peninsula and robust global rules against proliferation. That is why we urge North Korea to reaffirm its commitment to the Nonproliferation Treaty, to fulfill its full scope safeguards obligations to the International Atomic Energy Agency, including IAEA inspections of undeclared nuclear sites, and to implement bilateral inspections under the South-North Nuclear Accord. (Applause.)

Our goal is not endless discussions, but certifiable compliance. North Korea must understand our intentions. We are seeking to prevent aggression, not to initiate it, and so long as North Korea abides by the U.N. charter and international nonproliferation commitments, it has nothing to fear from America.

The U.S. has worked to bring North Korea back within the fold of nuclear responsibility. But your nation, too, has a critical role

to play. The future of this peninsula is for you and North Korea to shape. The South-North Nuclear Accord you negotiated goes even further than existing international accords. It not only banishes nuclear weapons from the peninsula, it also bans the production of nuclear materials that could be used to make those weapons. We urge full implementation of this pathbreaking accord which can serve as a model for other regions of nuclear tension.

Even as we address immediate concerns such as proliferation, we must also have a vision of how we will meet the broader challenges of this era. That is what I sought to create during the recently concluded G-7 talks. For example, by proposing new ways to focus on new problems, such as the slow pace of job creation in the G-7 countries. And it is why I have proposed a NATO summit so that we can adapt that institution to new times and new challenges.

In both Asia and Europe the dominant unitary threat of Soviet aggression has disappeared. In both regions, the end of the Cold War has allowed a host of problems to emerge or to reappear, such as ancient ethnic rivalries, regional tensions, flows of refugees and the trafficking of deadly weapons and dangerous drugs.

In Europe these changes require us to adapt an existing security institution—NATO. In the Pacific no institution exists. Moreover, since the Asian Pacific face a unitary threat, there is no need for us to create one single alliance. The challenge for the Asian Pacific in this decade, instead, is to develop multiple new arrangements to meet multiple threats and opportunities. These arrangements can function like overlapping plates of armor individually providing protection and together covering the full body of our common security concerns.

Some new arrangements may involve groups of nations confronting immediate problems. This is the model we pursued to address North Korea's nuclear program. Our two nations worked not only with each other but also with Japan and with others who could bring their influence to bear.

Other arrangements may involve peacekeeping, such as the massive and promising U.N. effort to support reconciliation in Cambodia. Still others may pursue confidence-building measures to head off regional or subregional disputes.

We also need new regional security dialogues. This month's ASEAN post-ministerial conference in Singapore, which the United States will attend, offers an immediate opportunity to further such a dialogue. Korea can play a vital role in the region's new arrangements, for it stands at the center of northeast Asia, within two hours by air from Singapore, Tokyo, Beijing and Vladivostok.

The many economic discussions within the region also can play a role. By lowering barriers to trade and investment,

The goal of all these efforts is to integrate, not isolate, the region's powers. China is a key example. We believe China cannot be a full partner in the world community until it respects human rights and international agreements on trade and weapon sales. But we also are prepared to involve China in building this region's new security and economic architectures. We need an involved and engaged China, not an isolated China.

Some in the U.S. have been reluctant to enter into regional security dialogues in Asia. They fear it would seem a pretext for American withdrawal from the area. But I see this as a way to supplement our alliances

and forward military presence, not to supplant them.

These dialogues can ensure that the end of the Cold War does not provide an opening for regional rivalries, chaos and arms races. They can build a foundation for our shared security well into the 21st century.

Ultimately, the guarantee of our security must rest in the character and the intentions of the region's nations themselves. That is why our final security priority must be to support the spread of democracy throughout the Asian Pacific. Democracies not only are more likely to meet the needs and respect the rights of their people, they also make better neighbors. They do not wage war on each other, practice terrorism, generate refugees or traffic in drugs and outlaw weapons. They make more reliable partners in trade and in the kind of dialogues we announced today.

Today, some argue democracy and human rights are somehow unsuited to parts of Asia, or that they mask some cultural imperialism on the part of the West. My ear is drawn instead to more compelling voices—the Chai Ling who proclaim democracy's spirit at Tiananmen Square; to Aung San Suukyi whose eloquent opposition to repression in Burma has stirred the entire world; to Boris Yeltsin who is leading Russia toward becoming a great democratic power on the Pacific; and to your own President Kim and others in this multi-party assembly who have helped democracy flower here in the land of the morning calm.

You are truly an example to people all over the Asian Pacific region because you have had the courage to confront the issues of political reform and economic reform; to ask the hard questions of yourselves; to have the public debates necessary when people honestly seek to improve and open.

To be sure, every nation must retain its own culture, and we will all struggle about what it means to define that. But Korea proves that democracy and human rights are not western imports. They flow from the internal spirit of human beings because they reflect universal aspirations.

Now we must respond to those aspirations throughout this region. We must support the nongovernmental organizations that seek to strengthen Asia's building blocks of civic society, such as open elections, trade unions, and a free press. And we must deploy accurate news and information against Asia's closed societies. I have proposed creating an Asian democracy radio for this purpose, and I look forward to its establishment in the near future.

Two hundred seventeen years ago, America's founders declared the rights of self-government to be God-given, and therefore inalienable. Today, here on Asian soil, let us together reaffirm that declaration—not only as an article of faith, but as a sturdy building block in our region's shared security.

This, then, is our nation's vision for security in the new Pacific community: a continued United States military presence, new efforts to combat proliferation, new regional security dialogues, and vigorous support for democracies and democratic movements. These elements of security can help create a Pacific region where economic competition is vigorous, but peaceful; where diverse nations work as partners to improve their shared security; where democracy, as well as balanced military strength, takes its place as a guardian of our security.

We will not realize every aspect of that vision overnight, nor will the new Pacific community come to pass without great effort.

But neither of our nations is a stranger to hard work.

I think, in particular, of the image of your great long-distance runner, Hwang Yung Cho, who endured that final steep hill in Barcelona to capture the gold in the marathon in the 1992 Olympics. His energy and perseverance captured the spirit of the Korean people who have not only endured, but prospered through a long, hard, and challenging history. We respect that spirit. We honor your values. We have stood shoulder to shoulder with you in days past, and so it shall be in the days ahead. The struggle for freedom and democracy and opportunity is, indeed, a marathon. Let us run the race together.

NATIONAL CAMPAIGN TO KEEP THE BAN ON HOMOSEXUALS IN THE MILITARY

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. HUNTER. Mr. Speaker, I have addressed my colleagues many times in opposition to President Clinton's decision to lift the ban on homosexuals serving in the military. I have participated in several debates, special orders, and many media interviews on this topic. On every occasion, I have outlined concerns expressed by the entire national security community regarding the gay ban.

According to the Christian Science Monitor, the American Security Council's National Campaign To Keep the Ban on Homosexuals in the Military has been in the forefront of the opposition to President Clinton's directive. The National Campaign's efforts have been featured in a variety of media outlets. These include the New York Times, NBC Nightly News, and the McNeil/Lehrer News Hour. The ASC campaign has already invested over \$750,000 in purchasing television and radio advertisements in support of the homosexual ban. These spots will become increasingly prevalent in the weeks ahead.

The Chairman of ASC's National Campaign To Keep the Ban on Homosexuals in the Military is Adm. Thomas H. Moorer USN (Ret.). Admiral Moorer is a former Chairman of the Joint Chiefs of Staff, as well as a former Chief of Naval Operations. In addition to myself, the congressional cochairman of the national campaign are Representatives CLIFF STEARNS, JOE BARTON, BOB DORNAN, and SAM JOHNSON.

I want to emphasize that the national campaign is definitely bipartisan. The administrative cochairmen of the campaign are Rear Adm. Robert H. Spiro, Jr., USNR (Ret.), and ASC Chairman John M. Fisher. Admiral Spiro has had an active role in the Democratic Party, and served as Under Secretary of the Army during the Carter administration.

The national campaign believes the Clinton compromise presents many legal, administrative, and national security problems. Because of this, they are actively promoting the Military Readiness Act (H.R. 667) which would codify a homosexual ban into a permanent law.

I was honored to be one of the original sponsors of this important legislation, which has now been cosponsored by 104 law-

makers. Once again, this effort to codify the homosexual ban is bipartisan. Cosponsors of H.R. 667 include such prominent Democratic lawmakers as Congressmen CHARLIE WILSON, GREG LAUGHLIN, TOM BEVILL, RALPH HALL, CHARLIE STENHOLM, MIKE PARKER, BILL BREWSTER and BUD CRAMER.

I have been very pleased to be part of the National Campaign to Keep the Ban on Homosexuals in the Military because of its outreach efforts to so many prominent private sector organizations. In cooperation with ASC's national campaign, I have had the opportunity to meet with senior leaders of many respected national security and veterans organizations.

Key leaders in organizations such as the American Legion, the Veterans of Foreign Wars, the Reserve Officers Association, the Association of the U.S. Army, the Navy League, the Retired Officers Association, and the American Security Council have told me that they are adamantly opposed to the President's so-called compromise. Among the many reasons these organizations are opposing the President's directive is because of its detrimental effect on morale, readiness, unit cohesion, recruitment, and retention.

The views of the national security community were summarized recently by Roger A. Munson, the National Commander of the American Legion. Commander Munson said the Clinton compromise is unacceptable, and he fully supports codifying the ban into law. According to Commander Munson:

A 'Don't Ask, Don't Tell' policy does not alter the fact that homosexuality is incompatible with military service. It does not solve the problem but only makes it worse. If homosexuals are permitted to enter the military under the proposed compromise but required not to declare themselves, the whole structure will be based on "a big lie". This would cause even greater suspicion and mistrust among our troops. Discipline, morale and unit cohesiveness would suffer. Such disruption of the military environment would be seriously detrimental to the readiness of the services to perform their prime mission, the defense of this country.

For many months the National Campaign To Keep the Ban on Homosexuals in the Military has been working to educate the American people about the importance of maintaining the current ban. Through their national petition campaign, they have also provided the American people the opportunity to demonstrate their personal support for the ban. The campaign now includes

The campaign has sponsored many diverse activities in addition to their television and radio advertisements. These include a nationwide telephone bank to build grassroots support for the ban; testimony of congressional committees; and a media outreach program including numerous appearances on television and radio talk shows.

Other activities have included a lobbying campaign to generate telephone calls and petitions to the U.S. Congress; as well as a nationwide effort to issue, pass, and sign petitions and resolutions in support of enacting into a law a new ban on homosexuals in the military. In fact, in the next few days, the national campaign will be distributing to lawmakers the names and addresses of citizens from every congressional district who signed their nationwide petition.

The American Security Council's campaign also assisted the House Republican Research Committee in conducting a confidential survey of all active duty flag and general officers in the U.S. Armed Forces. Of the 1,040 generals and admirals surveyed, responses were received from 621 officers. Polling professionals have said this is an overwhelming response for a voluntary survey.

The results showed almost unanimous opposition to President Clinton's directive from among the senior leadership of our Armed Forces. The survey found that 96.9 percent of the officers support the ban on homosexuals. Only 5.9 percent agreed with the contention of homosexual advocacy groups that this is an issue of civil rights, while 88.7 percent of the officers saw it as a question of national security.

As part of the national campaign, the American Security Council also compiled a comprehensive report on the significant increases in military health care costs that can be expected if the ban is lifted. The ASC study predicted the potential medical cost to the military over the next 5 years could total close to \$4.6 billion.

In the weeks ahead, many of my colleagues will see radio and television advertisements produced by ASC's national campaign. Variations of these spots have already appeared in major cities across the Nation.

The most recent television ad sponsored by the campaign quotes Gen. Norman Schwarzkopf, USA (Ret.) as saying, the introduction of an open homosexual into a small unit destroys the very bonding that is so very important for the unit's very survival in time of war.

The television ad goes on to state:

Military life is tough. In combat, maintaining discipline and morale is a matter of life and death. Privacy is at a premium.

President Clinton has lifted the ban on homosexuals in the military, while at the same time keeping the rules that prohibit homosexual conduct. And if that's not confusing enough, consider that military commanders will have their hands tied on what they can—or cannot—investigate. For instance, soldiers who frequent gay bars will no longer be investigated.

It's no wonder that 97 percent of the military's top leaders who were polled earlier by Congress said—privately—that they oppose the Clinton experiment.

The military cannot publicly oppose a plan supported by their Commander-in-Chief—only Congress can, and you need to let Congress know how you feel.

TRIBUTE TO NICHOLAS SPANO AND FAMILY DAY

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. TRAFICANT. Mr. Speaker, I rise here today to pay tribute to Nicholas Spano, a man from my 17th Congressional District in Ohio who has come up with a wonderful idea for families to get together.

Mr. Speaker, Nick Spano's idea was for a Family Reunion Day, a day set aside for fam-

ily reunions and get together. Last year, Nick contacted my office in hopes of meeting with me to discuss the idea, I was away at my own family reunion. But upon hearing of his idea, I realized that it was an exceptional one. As I said, I was unable to attend the first family reunion celebration held on the courthouse square in Warren, OH, but by all accounts it was a huge success.

Mr. Speaker, this year on August 1, another celebration of Family Reunion Day will take place in Warren. I have a very good idea that it will be an even bigger success than last year. I happen to believe very strongly in this event. We have heard so much recently about family values, that I wonder if anyone in Washington means it. Well, I know that in Ohio family values are very important. Gathering together with your relatives is the core of any celebration. Family Reunion Day is something that I would like to see take place every year.

Mr. Speaker, I want to congratulate Mr. Spano for his efforts in creating this marvelous event, and I would like to invite all families in the northeast Ohio to participate this year on August 1.

TAKE PRIDE IN AMERICA NATIONAL AWARD WINNERS, MCKEAN COUNTY, PA

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. CLINGER. Mr. Speaker, I rise today to congratulate five McKean County, PA recipients of the U.S. Department of the Interior Volunteer Service Award for Outstanding Commitment to the Stewardship of America's Public Lands and Natural and Cultural Resources. Boy Scout Troops 449 and 495 of Lewis Run and Troop 560 of Port Allegheny, the McKean County Conservation District and Mr. James W. Johnson of Custer City, now honored with this national award, were State winners in this year's Take Pride in Pennsylvania.

All residents of McKean County can take pride in their beautiful part of the Commonwealth. Nestled in the heart of the Allegheny Mountains, the rural landscape of McKean County is distinguished with miles of thick, fruitful forests; deep valleys graced by streams and ponds and dappled with many small communities. Many State forests and parks are found in McKean County, attracting thousands of visitors annually who enjoy hunting, fishing, camping, boating, and other outdoor activities.

Due to their hard work in maintaining these resources, McKean County Boy Scouts dominated the youth category of Take Pride in Pennsylvania. Boy Scout Troops 449 and 495, under the leadership of scoutmaster Bill Getz, each won first prize because of their outstanding involvement and dedication to projects such as the initiating of a camporee, improving wildlife habitats, and the restoration and building of hiking trails. Scoutmaster Francis Cummings and his troop 560 took first prize in recognition of their commitment to a recycling program which they started over 20 years ago.

In 1992, the troop reached a remarkable total of 2 million pounds of collected recyclable products.

The McKean County Conservation District sponsors educational field days, which promote an awareness of the importance of preserving and conserving the environment. Among the group's other projects, the McKean County Conservation District has established the Kinzua Bridge Historical Trail, World Conservation Camporee, a 50-mile conservation hike and a chestnut reintroduction project.

Mr. James Johnson has shown an outstanding commitment to his conservation education programs by generously offering his time and talents to young people, and by helping to finance efforts to make others aware of the challenges our natural environment faces. His individual dedication and his ability to motivate and coordinate group efforts have been vital to the conservation effort.

Mr. Speaker, it is my honor to recognize these five recipients of the national Take Pride in America Award for their outstanding achievements in keeping Pennsylvania beautiful. Their efforts should serve as excellent examples to all of us to do all we can as individuals and in a community effort to conserve our natural resources and preserve the beauty of the American landscape.

STOP BUREAUCRATIC TURF FIGHTS OVER TERRORISM REWARDS

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Ms. SNOWE. Mr. Speaker, today I am introducing legislation to bring an end to months of irresponsible turf fights between the FBI and the State Department over who would have to pay for rewards for information leading to the arrest and prosecution of individuals responsible for the February bombing of the World Trade Center in New York. This sorry episode underlines that the U.S. Government remains psychologically, and in some cases, legislatively unprepared to cope with the arrival of international terrorism on American shores.

In a hearing before the Foreign Affairs Committee last week, State Department and FBI witnesses admitted that neither agency had yet offered a reward for information on the World Trade Center bombing. Each agency has existing legislative authority to do so, and both witnesses agreed that such a reward should be offered.

The FBI claims that while it is the agency with primary jurisdiction over acts of terrorism within the United States, it is unable to use its terrorism rewards program because of insufficient funding. The State Department, which has primary jurisdiction over acts of international terrorism, admits that it has sufficient funds in its own terrorism rewards program. However, the Department claims it cannot offer a reward for the World Trade Center bombing because its legislative authority prohibits rewards for international terrorist acts that occur primarily within the territorial jurisdiction of the United States.

Five months have passed while this intellectual and legalistic argument has raged between the two agencies. My bill would remove the State Department's excuse for inaction by deleting the reference to the territorial jurisdiction in which an act of international terrorism occurs against Americans or American property.

I will be working to ensure that this legislative correction is made during Senate consideration of the House-Senate conference for the State Department authorization bill, which passed the House last month. Still, I would urge the executive branch not to wait for congressional action, but to work quickly to resolve this disagreement administratively.

To the extent that information may exist abroad that would aid in the arrest or conviction of terrorists linked with the World Trade Center bombing, the administration should realize that its failure to act is not just a regrettable bureaucratic disagreement. This is an issue of American lives, and should be given the priority it deserves.

**SPRING HIGH SCHOOL HONORED
WITH BLUE RIBBON SCHOOLS
AWARD**

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. FIELDS of Texas. Mr. Speaker, I was delighted to learn that a high school located in my congressional district—Spring High School, in Spring, TX—was one of just 260 secondary schools nationwide to be honored recently with a prestigious Blue Ribbon Schools Award. I congratulate Spring High School for achieving this high honor.

This award, just one of many that have been presented to Spring High School in recent years, recognizes the hard work and dedication of Spring High School's principal, Gloria Marshall; its faculty; its student body; and its parents. All of them have worked together to make Spring High School an outstanding institution in which faculty members are motivated to teach, students are motivated to learn, and parents are motivated to take an active role in their children's educations.

Mr. Speaker, blue ribbon schools are judged to be highly effective in meeting local, State and national education goals, including the national education goals. These schools also display, today, many of the qualities of educational excellence that will be necessary in our schools of tomorrow.

To be eligible for a Blue Ribbon Schools Award, a school must have strong leadership; it must have a clear vision and sense of mission that is shared by everyone connected with the institution; it must have an outstanding and highly motivated faculty; it must have an appropriate and up-to-date curriculum; it must have policies and practices that ensure a safe environment that is conducive to learning; it must have strong parental interest and involvement; and it must help all students succeed, regardless of their abilities or disabilities.

After satisfying all of these rigorous criteria, State departments of education and other edu-

cation organizations nominate schools within their jurisdictions to the U.S. Department of Education. A 105-member panel of educators and other professionals reviews the nominations, selects schools for site visits, and makes recommendations to the U.S. Secretary of Education, who formally announces the list of Blue Ribbon Schools Award winners.

Again, Mr. Speaker, I want to extend my congratulations and best wishes to everyone at Spring High School for achieving this tremendous honor. I am confident that the educational excellence that is the hallmark of Spring High School today will remain a hallmark of that fine institution for many years to come.

**INTEREST IN THE EDVILLE
RAILROAD**

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. FRANK of Massachusetts. Mr. Speaker, during the district work period in July, I met in the town of Carver with officials of the town and citizens who are interested in getting a wonderful Massachusetts institution known as the Edville Railroad running again. The Edville Railroad has been an important part of life of southeastern Massachusetts for many years, and only recently shut down. I am working with people in the town and in the surrounding area to get it going again, and one of the reasons we are all working so hard to do so is made clear in the accompanying letter, which was written by a young woman who illustrates what the Edville Railroad has meant to so many Massachusetts residents.

At the meeting I attended, Michelle Russell was present and I volunteered at the time to share her letter with my colleagues because of the example she sets for other young people by her advocacy and involvement, and because this is an example of what the people of a community can do when they pull together on a project that is important to them. The selectmen of the town of Carver and other residents of the town and neighboring communities are showing exactly the right spirit in this effort and I am proud to be able to work with them.

The letter follows:

DEAR EDVILLE, my name is Michelle Russell and I'm 12. I really like all your shops, statues, lights, and special effect that you have. Please don't shut down your village, because a lot of people go to Edville as a family tradition like our family. My family has been going since my parents got married (20 years ago). And I've been going for 11 years.

If it cost too much to run maybe you could cut down on lights, close earlier, have fund raisers or higher the costs of getting in. With all these adjustments, our family would still go because it's a family tradition. We all love your village and would really miss it and it might take a while to find a new Christmas tradition.

Your Best customer and Fan,

MICHELLE RUSSELL.

P.S. I'll do anything to save Edville and if it is possible could you write back to me?

IN MEMORY OF MARY JUDD

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. SANDERS. Mr. Speaker, on July 19, the State of Vermont lost one of its great citizens, and I lost a very dear friend, when Mary Judd of Troy, VT, died of cancer after a courageous struggle with that disease.

Physically, Mary was a small woman. But in terms of compassion, intelligence, courage, and human decency she was a giant of a human being and, in many ways, a role model for many of us.

Mary represented the best of what Vermont is all about. She was down-to-earth, hard-working, and straightforward. She loved her farm, which is located on some of the most beautiful land in America. I remember with great pleasure several wonderful community events that were held there. Her love for agriculture and the rural way of life made her, and her husband Bob, into leaders in our State for the preservation of family farming.

Mary's compassion extended into her work with hungry Vermonters. She helped distribute food to those in need, and did all she could to improve life for the poor. She was especially appalled that our Nation's agricultural policies were such that farm families themselves were often in need of surplus food.

Mary Judd is gone, but she remains an inspiration to all of us who had the pleasure of knowing her. She will not be forgotten.

**TRIBUTE TO DR. MARIO BAUZA,
THE FATHER OF AFRO-CUBAN
JAZZ**

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. SERRANO. Mr. Speaker, I rise today to mark the passing of and to pay tribute to Dr. Mario Bauza, a man of great musical talent and inspiration, who was the creator of a vibrant and unique style of music known as Afro-Cuban Jazz. Dr. Bauza died on Sunday, July 11.

Mr. Speaker, Mario Bauza came to our country from his native Cuba in 1930 at the age of 19. He had begun his musical training at the Municipal Academy of Havana at the age of 7, and was a seasoned oboist and a clarinetist for the Havana Philharmonic Orchestra when he made his first trip to New York, in 1926, to record traditional Latin danzones for RCA. As a Cuban of African ancestry, Mario Bauza was struck by the relative freedom from racism that African-American musicians in Harlem enjoyed. As a talented and ambitious young musician, he was drawn by the jazz sound and the opportunities for work he discovered in New York.

Mario Bauza played with a number of different groups during his early years in New York. He taught himself to play trumpet to fill a vacancy in the band of his fellow Cuban Antonio Machin, and soon became an accomplished soloist. Sitting in on trumpet one

evening with another band, he was discovered by Chick Webb, who immediately asked him to join his band, and made him its musical director a year later. Mario Bauza also played with Cab Calloway's band, where he befriended and aided a young trumpeter who would later become famous as Dizzy Gillespie.

After playing in and directing an assortment of Cuban and jazz bands, Mario Bauza began to talk of creating of a new sound by combining these two musical styles. In 1941 he gained an opportunity to advance his ideas when he became music and personnel director for the Machito Orchestra, a Cuban band headed by his brother-in-law and boyhood friend, Machito Grillo. Mario Bauza began by hiring jazz-oriented musicians to fill vacancies left by departing Cuban band members. After hearing two of these musicians improvising with the Cuban song "El Botellero" during a performance break one evening in May 1943, Mario Bauza decided to experiment further with the song during the band's rehearsal the following day. "Tanga," the fiery new work that he created, was the first Afro-Cuban Jazz song.

Over the succeeding decades working both in the Machito orchestra and in a new band he formed with the Machito orchestra's great female vocalist Graciela, Mario Bauza continued to create and popularize the Afro-Cuban jazz sound. In addition to "Tanga," Mario Bauza composed such classics as "Cubop City," "Wild Jungle," "Kenya," "Imitations," and "Cubanola." His most recent recording, "My time Is Now," was released just this month.

Mr. Speaker, the music Mario Bauza created has brought tremendous joy to people of all backgrounds around the world, and has been a unifying source of pride for Hispanics throughout our Nation. I hope my colleagues will join me now in appreciation of Mario Bauza for the lasting gift of great music he gave to us and to the world.

CITIZEN COSPONSORS OF THE
FAIR ACT

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. MORAN. Mr. Speaker, on March 10, Representative GOODLING and I introduced the Fiscal Accountability and Intergovernmental Reform (FAIR) Act to help State and local governments ameliorate their most crushing financial burden: Unfunded Federal mandates.

We feel this legislation is necessary to safeguard against a tendency within our institution and among Federal agencies to resort to more and more Federal requirements without providing the funds to implement them.

Like the National Environmental Policy Act, this measure will require Federal agencies to analyze the economic costs of new regulations before they are adopted.

And, like the 1974 Budget Reform Act, our bill will require that legislation cannot be considered by the full House or Senate without an analysis by the Congressional Budget Office of the cost of compliance to State and local governments and the private sector.

News of this legislation is spreading among those it will help most: Our cities' mayors. Mayors from every State and territory have been writing in support of the FAIR Act and urge swift congressional action.

Support for mandate relief is building on numerous fronts. The New York Times recently ran a series of articles focusing on how our Nation's regulatory policies have strayed from their original purpose.

Mayors from 114 cities in 49 States wrote President Clinton urging the White House to focus on how policymaking has gone awry. And finally the National League of Cities has made unfunded Federal mandates one of its top five political priorities in Washington.

In the next several weeks Representative GOODLING and I will be entering into the CONGRESSIONAL RECORD the names of hundreds of mayors from both parties and each State who have agreed to be citizen cosponsors of our FAIR Act initiative.

The time has come to make the Federal Government accountable for the actions it takes on behalf of our cities and States.

Today I am entering in the RECORD the names of 12 citizen cosponsors who are urging us to take meaningful Federal mandate reform action.

CITIZEN COSPONSORS OF THE FAIR ACT, JULY 10,
1993

1. Florence Rhoads, mayor, San Mateo, CA.
2. Robert Nolan, mayor, Upland, CA.
3. Gary Boyles, mayor, Fontana, CA.
4. Diann Ring, mayor, Claremont, CA.
5. Thomas Wilson, mayor, Laguna Niguel, CA.
6. Peter McHugh, mayor, Milpitas, CA.
7. Joseph Mullins, mayor, Melbourne, FL.
8. Thomas Lynch, mayor, Delray Beach, FL.
9. Robert Bennett, mayor, Livonia, MI.
10. Gerald Richards, mayor, Allen Park, MI.
11. Lee Namey, mayor, Wilkes-Barre, PA.
12. Mary Ellen Summerlin, mayor, Port Arthur, TX.

THE MICKEY LELAND TELE-
COMMUNICATIONS AND EDU-
CATION ASSISTANCE TO AFRICA
ACT OF 1993

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. FIELDS of Texas. Mr. Speaker, today, I am introducing legislation to direct the National Telecommunications and Information Administration to conduct a 6-month study to identify and to make recommendations concerning the use of existing satellite technology to bring educational programming to children living in remote areas of Africa.

I am offering this legislation in memory of my good friend and colleague, the late Mickey Leland. As most Members in this body know, Mickey devoted much of his life to improving the quality of life for children in Africa. I've come to share not only his love for Africa but his concern for its children.

Africa continues to have one of the lowest per capita income rates and highest starvation rates. As a result of recent hearings held by

the Subcommittee on Telecommunications and Finance on satellite technology. I am convinced that this technology could easily be harnessed to bring much-needed quality educational services to these children. Satellite technology can provide access to the vast educational resources of the world and help ensure that the next generation of African children have the tools they need to better their futures.

My bill simply instructs NTIA to identify existing governmental and nongovernmental resources and programs which could be promptly and economically used to acquire and distribute educational programming via a satellite network to Africa.

The international and humanitarian benefits of such a program are enormous. Such a program would not only bring communications to some of the most remote areas in the world but would provide the children of these regions with fundamental educational programming. I feel strongly that such a program would be a fitting legacy for Mickey's work on behalf of African children.

COMMERCIAL TRANSACTIONS
WITH TERRORIST COUNTRIES

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. TORRICELLI. Mr. Speaker, I rise for the purpose of introducing a bill that is designed to address the increasing threat of terrorism to the United States.

Unfortunately, as we were reminded only this past week, the evil intent of terrorists is limited only by their perverse imagination. President Clinton responded appropriately and effectively to a dastardly attempt by Saddam Hussein to assassinate former President George Bush and other senior former United States officials during their recent visit to Kuwait. As was demonstrated in the Gulf war and now by this action of President Clinton, the United States must stand prepared to defend itself and those values it holds dear.

Regrettably, Saddam Hussein's actions and those carried out by other terrorist states have been facilitated by the greed of certain Western businesses, which have sought to profit from the death and destruction that these governments seek to inflict on the world. We still do not know the full story of how Western corporations collaborate with governments such as those of Iraq, Iran, North Korea, or Cuba, but we know enough to be concerned. As just one example of this commerce in evil, I would ask that a list of those corporations which supplied nuclear weapons technology and material to the Government of Iraq be included in the RECORD. This list includes corporations of nearly every industrialized country and from a number of advanced industrializing countries as well.

My bill is designed to accomplish a simple purpose: To have the Department of Defense examine its contracts on an annual basis and publish a report on those contractors which do business with our Government, but also conduct business relations with countries determined to be engaged in terrorist activities by

the Department of State. My bill would not prohibit defense contracts to such corporations. But it would let the public know about those corporations which seek business with the United States and also do not hesitate to commerce with terrorist countries.

The provisions of the bill are easy to summarize. It states that before entering into a contract with the Department of Defense to provide goods or services to the Department, a person must report to the Secretary any commercial transactions with any terrorist country or with any national of a terrorist country. The Secretary of Defense is, in turn, required to submit to the Congress an annual report on those persons conducting commercial transactions with terrorist countries and nationals of terrorist countries.

In the bill, a terrorist country refers to those countries which the Secretary of State has determined to be a government that has repeatedly provided support for acts of international terrorism.

This simple step will not in itself stop terrorism, but it will put corporations across the globe on notice that the United States is carefully monitoring those who seek business with our Government and still traffic with terrorists.

THE BENEFITS OF PUBLIC TRANSIT

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. BORSKI. Mr. Speaker, for too long our Nation has neglected the need to invest in the transit systems that are vital to both our metropolitan and our rural areas. Transit has been neglected, in great part, because too many people have failed to look at the big picture of what transit means to economic growth, the environment, and energy conservation.

Instead, many people measure the value and effectiveness of transit through a current profit-and-loss statement. This type of measurement, sometimes known as incremental cost per rider, ignores the major and significant benefits to society, now and in the future, from promoting the use of transit.

Today, I am submitting for the RECORD, a letter to the editor of the Wall Street Journal from the American Public Transit Association, the international trade association representing the public transit properties of our Nation, which provides an excellent description of the benefits of transit. The APTA letter ably refutes a recent Wall Street Journal article which failed to accurately portray the importance of transit investment.

Transit provides essential transportation for the elderly, for the disabled, and for many low-income citizens. It also supports accelerated economic growth while producing huge energy conservation benefits and congestion reduction. These advantages will become more valuable with each passing year.

I commend the American Public Transit Association for this excellent statement.

APTA RESPONDS TO CRITICAL REPORT

WASHINGTON, July 9.—The American Public Transit Association today responded to a re-

port in the June 29, Wall Street Journal that criticized ridership on some rail systems.

The text of the APTA response follows:

JULY 7, 1993.

Mr. NED CRABB,

Letters Editor, Wall Street Journal, New York, NY.

TO THE EDITOR: Rail transit is an American success story by any measure. By focusing his report ("Despite Huge Outlays, Transit Systems Fail to Lure Back Riders," June 29) only on recent, recession-dampened patronage and citing statistics from the discredited Pickrell Report, Frederick Rose showed an empty understanding of the full range of benefits that rail delivers to metropolitan areas.

Transit investments carry real economic punch, as cited by New York's Regional Plan Association. It concluded that "rail (transit) is working because it is reshaping metropolitan areas, attracting business and residential sub-centers around rail stops, and increasing jobs and services *** in downtowns." For example \$15 billion in private development has accompanied Washington D.C.'s Metrorail system.

In 1972, Portland's downtown air was so dirty that it violated federal health standards one out of every three days. Today, with the popular light rail system carrying 25,000 riders per week day, there are no violations.

Expansion and use of rail transit is the secret to curbing urban traffic congestion, estimated to be costing drivers \$40 billion of lost time a year. It's a fact that a subway train full of commuters means 900 fewer cars on the road.

The cost of rail should be considered against the true cost of auto travel. The World Resources Institute says a \$300 billion-a-year silent subsidy is fueling the explosive growth of driving. The worst example may be the artificially low price of gasoline. It costs less today than it did in 1950, accounting for inflation. What an incentive to drive alone to work.

If there is a single factor hampering the growth of transit ridership these days, it is the weak economy. Since most people use transit to go to work, high joblessness rates in cities take their toll on patronage. The antidote includes the 6,000 new jobs that will be created by \$100 million in transit investment.

One more thing. In his enthusiasm to disparage rail transit, Mr. Rose apparently overlooked a fact that refutes his slant: U.S. rail ridership actually grew 39 percent in the 15 years leading up to 1990.

Sincerely,

JACK R. GILSTRAP.

HONORING FRED LODGE ON THE OCCASION OF HIS RETIREMENT FROM UNITED AUTO WORKERS, LOCAL 887 AND THE INTERNATIONAL UNION, UAW

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. TORRES. Mr. Speaker, I rise today to recognize my good friend, Fred Lodge, upon his retirement as a member of the United Auto Workers [UAW] Union Local 887 and the International Union, UAW. Brother Lodge is being honored for his 40 years of dedicated service to the men and women of Local 887.

Fred began his union career in 1954 when he was elected shop steward at North American Aviation [NAA]. Displaying talent and leadership, he quickly progressed to positions of increasing responsibility. He was soon elected to committeeman and began his service as member, vice-chairman and finally chairman, Main Plant Grievance Committee.

During this period, he also served as a member of the NAA Rockwell Inter-Corp Bargaining Council. Fred is well-known for his leadership in preparation and presentation of contract proposals. Throughout the UAW he gained widespread recognition for leading the Local 887 in its contract negotiations with the aerospace industry.

Between 1955-1963, he was elected delegate to every UAW Convention held during this period. In addition to his distinguished service to the members of Local 887, in 1964, he was appointed to the International Union, a post he held until 1981. Known as an astute negotiator, between 1964 and 1981, he participated in over 50 separate sets of negotiations on behalf of Local 887 members. During this same period, he participated in every case Local 887 had under consideration before an arbitrator.

In addition to his untiring dedication, ability and knowledge, Fred is also recognized for his compassion. True to his ideals of equality and justice, Fred participated in the Civil Rights movement, marching with Martin Luther King and Walter Reuther. In keeping with those ideals, throughout his career, he worked to obtain equity for minorities.

In 1964, Brother Lodge was appointed to serve as Region 6 Retiree Representative, where he actively participated with Local 887 retiree chapter education and recreation services. During his tenure as retiree representative, he was directly involved in the creation of the Federation of Retired Union Members [FORUM] in California. This organization served as a model and is now used nationwide by the AFL-CIO. His memberships in various senior organizations are numerous, including: the National Council of Senior Citizens; the Congress of California Seniors; and the Advisory Board for Member Health Access.

Born in Pueblo, CO, in 1931, Brother Lodge moved to California at the age of five. He resides in Hawthorne with Mary, his lovely wife of 43 years. They have five children and seven grandchildren.

Mr. Speaker, for over 40 years, Fred Lodge has been a strong advocate for our Nation's working men and women. On July 24, 1993, UAW Region Six will honor Brother Fred Lodge with UAW's Community Services-Douglas A. Fraser Award for his exemplary service to fellow union members and the community. It is with great pride that I ask my colleagues to join me in saluting this fine individual for his outstanding contributions to the advancement of organized labor.

**DR. JOYCELYN ELDERS SHOULD
BE CONFIRMED**

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. STARK. Mr. Speaker, I want to congratulate President Clinton for an excellent nomination for Surgeon General of the United States, pediatrician, Dr. Joycelyn Elders.

Dr. Elders has been an outstanding director of the Arkansas State Department of Health, concentrating on the terrible public health problems facing the poor, the uninsured, and the neglected. She has been bold and aggressive in fighting against AIDS, in trying to prevent low-birth weight babies, educating against teen pregnancies, improving her State's level of childhood immunization and the quality of its drinking water.

We need a Surgeon General like Dr. Elders. The Nation faces an epidemic of public health care problems. Her experience, compassion, and expertise is needed immediately.

I hope that the confirmation process can proceed so that this key Federal health position can be filled with this very special candidate.

**IN HONOR OF THE MATHEMATICS,
ENGINEERING AND SCIENCE
ACHIEVEMENT (MESA)**

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Ms. ESHOO. Mr. Speaker, I would like to take this opportunity to recognize one of the country's oldest programs to assist students from historically under-represented groups earn math-based degrees. The Mathematics, Engineering, and Science Achievement [MESA] is one of the most successful programs in the Nation in producing science professionals of color. The program serves over 16,000 African-American, native American, and Latino students throughout California.

For over 20 years, MESA has worked with dedicated educators, professional organizations, and industry supporters to produce math and science professionals. Students enter MESA in the second grade and continue through high school in the MESA Secondary Program [MSP]. MESA's Minority Engineering Program [MEP] offers academic assistance to students in higher education who are pursuing engineering degrees. The program is so successful that it has served as a model for similar programs in 14 other States. Indeed, 73 percent of MESA students enroll in 4-year colleges.

Several important features contribute to MESA's exceptional achievement. The program is academically based as many faculty sponsors of MEP are deans on their campus. Students with aptitude are supported to excel throughout their academic career. And most importantly, MESA is built on a cooperation between public school districts, higher education institutes, and industry. Corporations

such as PG&E, IBM, Pacific Telesis, Hewlett-Packard, Chevron, and Northrop contribute funds, executives, equipment, scholarships, and summer jobs, to assist in MESA's efforts.

The California Legislature also recognizes the value of this program, opting to maintain the funding level for MESA despite the State's tight budget. In addition, support among public agencies and private and corporate foundations continues to grow. This year alone, MESA received moneys from McDonnell Douglas, the National Action Council for Minorities in Engineering, Pacific Telesis Foundations, the California Postsecondary Education Commission, and others.

MESA is a program which opens doors to minorities. Students succeed because the program creates a supportive atmosphere and because minority models serve as mentors in the program. Students eagerly rise to meet the challenges before them and carry their enthusiasm with them throughout their educational and professional careers. The achievements of MESA inspire the students, parents, industry partners, and staff to continue this dedicated efforts. I urge my colleagues to join me in saluting the women and men of MESA and their inspiring achievements.

THE U.S. MARITIME CRISIS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. DELLUMS. Mr. Speaker, I recently received a letter from Mr. John Lillie, the chairman of American President Co., that underscores the terrible problems facing the U.S. maritime community.

Mr. Lillie and the Shipbuilders Council each focus on very important aspects of the problem:

First, American shipyards are not building commercial ships, presumably because foreign governments subsidize their shipyards.

Second, American shippers are seeking foreign flags, because lack of U.S. assistance makes it more profitable to do so.

Third, American sailors are losing jobs, because foreign flags provide opportunities for foreign sailors.

A strong merchant marine is a matter of both national and economic security.

The U.S.-flag merchant fleet, which is the primary means of transporting vital military and critical raw material cargo in the event of national emergencies, the U.S. shipyard industry, which designs and constructs all Navy vessels and is a mobilization base in the event of national emergency, and domestic producers of marine equipment, which are essential to the construction of commercial and naval vessels serve essential national security functions.

The U.S. shipbuilding industry is encumbered in the international ship construction market by significant subsidies and anti-competitive practices that impede the ability of U.S. firms to compete on a fair and equitable basis.

The U.S. shipbuilding industry encounters costs of production due to regulatory meas-

ures required by the United States that exceed the standards imposed internationally.

The U.S.-flag merchant fleet has dwindled in size to the point that U.S.-flag vessels now carry less than 4 percent of the ocean-borne trade of the United States.

The U.S. shipyard industry currently has no orders for new construction of large commercial vessels and several major shipyards are experiencing severe financial conditions, and is laying off thousands of employees.

Skilled labor to crew the U.S. merchant marine and to construct new vessels is at a precariously low level.

The U.S.-flag merchant fleet, the U.S. shipyard industry, and the domestic marine equipment suppliers have decreased in size to the point that the bulk sealift capability and vessel construction and repair mobilization capacity of the United States are dangerously inadequate.

AMERICAN PRESIDENT CO., LTD.,

Oakland, CA, July 16, 1993.

Hon. RONALD V. DELLUMS,

House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As you know American President Lines, Ltd. faces a very competitive environment in serving our commercial and military customers through our international transportation services.

As an international ocean carrier, we are forced to acquire our ships at world market prices. To do otherwise would burden us with insurmountable cost disadvantages and make it impossible to compete against foreign carriers. Worldwide acquisition of ships at competitive prices occasionally puts us at odds with the Shipbuilders Council of America, whose U.S. shipyard constituency would prefer that U.S.-flag carriers be limited to ship construction in U.S. yards. The issues surrounding this economic debate have been in existence for many years and are very much a part of the current maritime reform process.

Last week, however, a newsletter of the Shipbuilders Council of America mischaracterized the motives and actions of American President Lines, Ltd. (APL) in its recently announced shipbuilding program, and added an element of confusion to current maritime reform efforts. It is important to me, personally, and to my company that these inaccuracies be addressed and corrected. Moreover, I would like to express APL's view that a more cooperative approach to maritime reform and ship construction issues by U.S. shipyards, collectively and individually, is a critical predicate to Congressional and Administration efforts to revitalize the U.S. maritime community.

Like you, Mr. Chairman, American President Lines has been extremely concerned by the rapid decline of the U.S. maritime community in recent years. The pace of this decline appears to be accelerating for both ocean carriers and U.S. shipyards.

In the absence of an Administration program and policy to address America's critical need for U.S. sealift and ship construction, Congress has stepped in over the past two months with a series of bills designed to address the need for a successor promotional program to the 1936 Merchant Marine Act; to address the tax inequities facing U.S. international ocean carriers; and to modernize and assist U.S. shipyards as they attempt to re-enter commercial ship construction markets which they abandoned following the end of the construction differential subsidy (CDS) program in the early 1980's.

I am aware that you have been integrally involved on each of these fronts, both as a result of your concern for adequate U.S. controlled sealift capacity as Chairman of the House Armed Services Committee, and as a member whose district encompasses a major port and is home to many shipping and shipyard interests.

The principal challenge we face in crafting a maritime policy for the United States is to unite and coordinate the interests of the various elements of the maritime community. In its current precarious state, our industry can no longer afford fractious infighting and maneuvering. Nor can one segment be allowed to stifle development of other segments of the maritime community, i.e., we can no longer allow linkage between carriers and shipyards which inhibit either group's growth or health.

With these thoughts in mind, and having devoted a great deal of personal time and effort to reaching out to various shipyard executives in the United States, I was enormously concerned when I reviewed the July 1, 1993 issue of the Shipyard Chronicle, a trade association publication of the Shipbuilders Council of America (SCA). In its lead article this SCA publication purported to report on the details of a recently announced new shipbuilding program by American President Lines, Ltd. The ostensible purpose of this article was, I presume, to strengthen the Shipbuilders Council's arguments that foreign shipbuilding subsidies—in this case Germany and Korea—have prevented their U.S. members from constructing containerships for U.S.-flag carriers.

In fact, the article was fraught with misleading allegations and, of most concern, called into question the integrity of American President Lines.

The SCA article, and other statements attributed to its President John J. Stocker, suggest that APL's new-build financing package mandates that its six new ships be registered under foreign flag. This assertion is absolutely incorrect. To the contrary, APL affirmatively retains full discretion and the express right under its financing package to document these vessels under the U.S. flag. Mr. Stocker's allegation at best is poorly researched and incorrect and can only confuse and prejudice the process of maritime reform. In fact, APL has said many times in the media and before the Congress that it hopes a program is passed and signed into law which allows APL to operate these new ships under U.S. flag.

APL is unaware of any German or Korean government subsidies to the shipyards where its six new vessels are being constructed and is unaware of any financing subsidies, other than an option to finance the German built vessels on standard OECD terms. In fact, commercial market interest rates make the OECD option more expensive today than ordinary commercial terms available to APL to finance the purchase of the vessels.

In addition, the SCA article notes that "APL had invited U.S. yards to submit bids on the containerships, but had given them only 17 days to respond . . . which was an unrealistic time frame." This statement is both inaccurate and offensive in that it implies that APL was not dealing with U.S. yards in good faith. All shipyards, including the U.S. yards, were given virtually the same amount of time to respond to the bid. While all the foreign shipyards submitted bids for the APL program, the U.S. shipyards responded with letters detailing a number of reasons why they were unable to participate. Significantly, these letters focused on the U.S.

yards' lack of "off-the-shelf" designs, construction capacity, and ability to assemble financing. This July 1 article and prior Congressional testimony by Mr. Stocker seem to imply that there was a lack of good faith in APL's reaching out to the U.S. yards, and that the requests to bid were "perfunctory". In fact, APL determined that in spite of the lack of recent commercial construction experience in U.S. yards it was important to give them an opportunity to develop bids alone or in combination with foreign yards. I can assure you that APL's motives in soliciting bids from U.S. yards were entirely proper—and to allege otherwise is, in my view, a misplaced effort to gain some phantom advantage for the SCA's subsidy or other legislative initiatives.

Mr. Chairman, I will continue to work with you and your colleagues on the Armed Services Committee and the Merchant Marine and Fisheries Committee to promptly address the issues and challenges we must meet in order to reinvigorate America's maritime community. I am hopeful that we will be able to work more productively with U.S. shipyards and avoid fractious and misplaced efforts to gain competitive advantage at the expense of other segments of the maritime industry. The time has long passed when America and the maritime industry can withstand such intramural and unproductive feuding.

Sincerely,

JOHN M. LILLIE,
Chairman.

TRIBUTE TO KRISTIN DODSON

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. DORNAN of California. Mr. Speaker, Kristin Dodson, like many preteens, never gave any thought one way or the other to the question of abortion. However, one day while attending mass at her local parish, a guest priest talked about crisis pregnancies and the debate over the issue of choice. In the context of this discussion he questioned whether or not his sermons actually made a difference, especially to young people. On that day it did. Kristin's mother, Judi, remembered Kristin coming home from church and going straight to her room. When she emerged several hours later, Kristin asked her mom to read a story she had written in response to that day's sermon. The following is the text of this story:

I'M SORRY

(By Kristin Dodson, age 12)

As the sixth week goes by, I'm still wondering if my mommy is going to murder me. I wonder how she can even think of that. Can't she feel my heart beating? Can't she have the strength to at least let me be born, even if she doesn't want to keep me? Whenever I hear her talk about it, I cry. It was as if she heard me once, I was saying, "mommy, mommy, please don't do this to me. I'm just a baby, not even born yet, like you used to be. I have the right to live." I heard her say, "I'm sorry," and pat her tummy.

As the tenth week goes by, I have a heart beating, and I am almost fully developed. I'm still wondering if she is going to murder me. Sometimes I'm not even sure if she's my mom, because I couldn't imagine my mom thinking of murdering me. She's been talk-

ing about it a lot more. The sad thing is, is that she doesn't have anyone to hold her hand, and try to tell her not to do it. I don't think she even thinks about me, or cares about me. I wish I could only be born so if this happened again, I could tell her what I hear, felt, and thought. If she does do it, I wonder how such a nice caring person could even think about murdering a poor innocent baby, like me. What did I do wrong? I feel so bad inside. I feel like crying again.

Whenever I hear my mommy talking about it I felt sick and sad and cry. Sometimes I think she is going to explode from all the tears I let out. As the fourth month goes by, I hear my mommy crying a lot and I wonder why she doesn't just forget about it, and let me be born, but I guess it just doesn't work that way.

As the sixth month goes by, I think it's going to happen. My mommy just talked to the doctor. I heard her say, "poor thing." I cried again. I heard them say "six and a half months," that really scared me. Couldn't they have done it a long time ago, they wouldn't have had to waste that much of my body. But I guess it doesn't really matter anymore because it's going to happen. And there is nothing I can do about it. Still, its a lot to waste, I mean a whole human living body.

My mommy is talking about moving because she doesn't have very much money and people keep on hassling her about what she is about to do. I just wish my mommy could have made the right choice.

I think its the day. I can hear my mommy weeping and I can hear the metal knives and tweezers clanging together. "Ow! Ow! Mommy, why do you have to do this to me?" The last two words I heard were, "I'm sorry."

SHEILA LEITER—DISTINGUISHED PROFESSIONAL, DISTINGUISHED AWARD

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1993

Mr. HORN. Mr. Speaker, I rise today to recognize a woman who has shown extraordinary enthusiasm, professionalism, and success in her role as a civil servant.

Sheila Leiter received, in 1991 and 1992, a Commissioner's Citation from the Commissioner of Social Security for outstanding achievements associated with her work as Area Director for the Social Security Administration in Metropolitan Los Angeles.

Receiving the Commission's Citation is no small feat. However, this year Mrs. Leiter has gone a step further to become a Distinguished Service Award recipient. This award from the Department of Health and Human Services is among the highest honors granted civil servants by the U.S. Government. I would like to quote the words of praise submitted by Sheila's administrative superiors that were read to assembled guests at the Department on the day of the awards presentation:

"An example of her dedication and caring leadership was shown during the period of the recent Los Angeles riot and its aftermath. During the height of the rioting, Ms. Leiter kept in continuous touch with each of her facilities, eventually closing down all offices and sending all employees home to ensure their safety.

Even after all offices closed, Ms. Leiter herself remained on duty in her office, located in the heart of the troubled area, to address innumerable issues, including transmission of employee payroll, issuance of Social Security and Supplemental Security Income checks to the public, and assessment of damage to Social Security Administration facilities. She also provided continuous updates on the crisis to the regional office, the central office, and the Disability Determination Service and helped the Department of Health and Human Services in setting up a 'command post' in her service area. Immediately following the crisis, Ms. Leiter visited all her offices to offer her support and ensure that employees could air their concerns and frustrations. She arranged for speedy employee access to counseling services. Ms. Leiter has fought aggressively since the crisis to secure more resources for her offices to allow them to rebound successfully. Her efforts resulted in more summer aids, overtime, travel funds, furniture and equipment so that offices can better serve the public and offer an improved environment for the employees."

I join with Sheila Leiter's friends and family in congratulating her for these outstanding accomplishments. In addition, I would like to thank her for all that she has done for the people of the Los Angeles area and, especially, for her years of loyalty—and of achievement—in her service to this country.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 22, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 23

- 9:00 a.m.
Armed Services
To closed business meeting, to continue to mark up a proposed National Defense Authorization Act for Fiscal Year 1994. SR-222
- 10:00 a.m.
Foreign Relations
To hold hearings on the nomination of David Laurence Aaron, of New York, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development, Department of State. SD-419

- Labor and Human Resources
To hold hearings on the nomination of M. Joycelyn Elders, of Arkansas, to be Medical Director in the Regular Corps of the Public Health Service, and to be Surgeon General of the Public Health Service. SD-430

- 2:00 p.m.
Armed Services
To closed business meeting, to continue to mark up a proposed National Defense Authorization Act for Fiscal Year 1994. SR-222

- Labor and Human Resources
Education, Arts and Humanities Subcommittee
To hold hearings to examine school financial management programs. SD-430

JULY 27

- 9:00 a.m.
Office of Technology Assessment
Board meeting, to consider pending business. EF-100, Capitol

- 9:30 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold joint hearings with the Committee on Energy and Natural Resources on the status of the Department of Energy's superconducting super collider program. SD-366

- Energy and Natural Resources
To hold joint hearings with the Committee on Appropriations' Subcommittee on Energy and Water Development on the status of the Department of Energy's superconducting super collider program. SD-366

- Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to examine the General Services Administration's management of Federal property. SD-342

- 10:00 a.m.
Environment and Public Works
Superfund, Recycling, and Solid Waste Management Subcommittee
To hold hearings to examine the State and local community involvement in superfund cleanups. SD-406

- 11:00 a.m.
Veterans' Affairs
To hold hearings to review the report of the National Academy of Sciences' Committee to Review the Health Effects in Vietnam Veterans of Exposure to Herbicides. SD-G50

- 2:15 p.m.
Environment and Public Works
Clean Water, Fisheries and Wildlife Subcommittee
To resume hearings on S. 1114, authorizing funds for programs of the Federal Water Pollution Control Act, focusing on the issues of watershed planning and enforcement. SD-406

JULY 28

- 9:30 a.m.
Appropriations
Energy and Water Development Subcommittee
To continue joint hearings with the Committee on Energy and Natural Resources to examine the status of the Department of Energy's superconducting super collider program. SD-366

- Energy and Natural Resources
To continue joint hearings with the Committee on Appropriations' Subcommittee on Energy and Water Development to examine the status of the Department of Energy's superconducting super collider program. SD-366

- 10:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of the Fastener Quality Act of 1990 (P.L. 101-592). SR-253

- Judiciary
Courts and Administrative Practice Subcommittee
To hold hearings on proposed legislation to revise the Federal rules of civil procedures. SD-226

JULY 29

- 9:30 a.m.
Energy and Natural Resources
To hold oversight hearings to examine the Department of Energy's efforts to cleanup its nuclear weapons complex, focusing on the scope and cost of the cleanup program, the technological and managerial problems it faces, the standards governing the cleanup effort, and how priorities are set among competing cleanup projects. SD-366

- Indian Affairs
To hold oversight hearings on tribal college telecommunications and facility needs. SR-485

- 2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 150, to provide for assistance in the preservation of Talliesin in the State of Wisconsin, S. 278, to authorize the establishment of the Chief Big Foot National Memorial Park and the Wounded Knee National Memorial in the State of South Dakota, S. 492 and H.R. 240, bills to provide for the protection of the Bodie Bowl area of the State of California, S. 845, to provide for the addition of the Truman Farm Home to the Harry S. Truman National Historic Site in the State of Missouri, and S. 855, proposed Alaska Peninsula Subsurface Consolidation Act. SD-366

JULY 30

- 9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to examine Federal government contracting procedures. SD-342

AUGUST 2

2:00 p.m.
Energy and Natural Resources
To hold hearings to examine the status of the Department of Energy's civilian radioactive waste program. SD-366

Indian Affairs
To hold hearings on S. 1216, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe, and the United States and various other issues pertaining to the Crow Indian Reservation. SR-485

Subcommittee on Employment and Productivity on the implementation of the Job Training Partnership Act (P.L. 102-367), and the Indian Employment Training and Services Demonstration Act (P.L. 102-477). SR-485

AUGUST 3

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on the Veterans Administration mental health programs. SR-418

AUGUST 5

3:00 p.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Indian Affairs on the implementation of the Job Training Partnership Act (P.L. 102-367), and the Indian Employment Training and Services Demonstration Act (P.L. 102-477). SR-485

CANCELLATIONS

AUGUST 3

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business. SD-366

AUGUST 4

Indian Affairs
To hold joint hearings with the Committee on Labor and Human Resources'

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 318, to provide for the energy security of the Nation through encouraging the production of domestic oil and gas resources in deep water on the Outer Continental Shelf in the Gulf of Mexico, and S. 727, to establish a California Ocean Protection Zone. SD-366