

## SENATE—Thursday, May 6, 1993

(Legislative day of Monday, April 19, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable PATTY MURRAY, a Senator from the State of Washington.

## PRAYER

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

Let us pray:

*I exhort therefore, that, first of all, supplications, prayers, intercessions, and giving of thanks, be made for all men; For kings, and for all that are in authority; that we may lead a quiet and peaceable life in all godliness and honesty.—I Timothy 2:1-2.*

God of grace and glory, the Apostle Paul urged, as a matter of first importance, that prayer be made for all people, especially for those in authority. And he promised that if we did this, we would enjoy a "quiet and peaceable life in all godliness and honesty."

On this National Day of Prayer, instituted by an act of Congress and proclaimed by the President, help all of us understand and appreciate the indispensability of prayer, especially for leadership. Help us to see, dear Lord, that it is possible that we do not enjoy a quiet and peaceable life with godliness and honesty because of our prayerlessness. Forgive us for our indifference to prayer and our prayerlessness, even when we profess to believe in it.

Father God, as congressional leaders and many others gather for prayer in the Caucus Room of the Cannon Building all day today, cover the meeting with Your blessing and anointing. And may the entire Nation resort to prayer this day.

We pray in the name of Jesus, Who took prayer seriously. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. 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, May 6, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATTY MURRAY, a Senator from the State of Washington, to perform the duties of the Chair.

ROBERT C. BYRD,  
President pro tempore.

Mrs. MURRAY 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 10 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

In my capacity as a Senator from the State of Washington, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LIEBERMAN. Madam 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.

## PRESIDENT CLINTON'S ENTERPRISE ZONE PLAN

Mr. LIEBERMAN. Madam President, on Tuesday of this week President Clinton announced an initiative to assist people in poor urban and rural communities. It is called both an empowerment community proposal and an enterprise zone proposal. While I am encouraged by much of it, and support the constructive and creative proposals that are contained within this message, I rise today to say that when it comes to the enterprise zone part of this proposal, as we know enterprise zones, I am disappointed. I say that as a longtime supporter of enterprise zones and as the sponsor of the Enterprise Zone Job Creation Act of 1993.

It seems to me I must conclude that the enterprise zone proposal of the administration is too little, in the sense that it will have only 10 genuine enterprise zones; that it is too much, in that it pours too much money into those 10 enterprise zones; that it is much too light on capital cost incentives, which are critically necessary to leverage the public investment by attracting more private capital into our inner cities and poorer rural communities; and that its problems, I believe, primarily

are based on a misunderstanding that the enterprise zone concept still needs testing. I think it has been amply and widely tested over the last 11 years, throughout so many of the States and cities of America, and it has passed that test with flying colors.

If there is any one point on which we can all agree I am sure it is the desperate conditions that exist in too many of America's cities and poor rural communities: Crime, poverty, drugs, unemployment, poor education, homelessness, and a ever-shrinking local property tax base which means an ever-increasing local property tax burden on the remaining taxpayers, particularly the residential taxpayers. I believe strongly that enterprise zones offer us an opportunity to break that cycle by directly countering the most important cause of urban and rural decline and that is the reduction of business activity and, therefore, the reduction of investment and jobs. The objective of enterprise zone legislation is to use tax and other forms of public policy to direct investment and employment opportunities to distressed urban and rural areas that would otherwise not occur. The increased investment in employment, spurred by a package of incentives, should begin to counter that cycle of decay.

In commenting on the proposal that President Clinton made the other day, one of his aides suggested that 10 zones were chosen so there could be—only 10 zones chosen, in spite of the obvious wider need in America—so many other cities and poor rural communities—because this idea still needed to be tested. But let me report to my colleagues here in the Senate what many of them know because we have passed strong enterprise zone legislation previously here. We have had more than 10 years' worth of experience with enterprise zones. At the State level, 36 States have adopted enterprise zone programs. I am proud to say the State of Connecticut led the Nation in establishing enterprise zones in 1982, offering a wide range of State and local incentives as well as administrative support to help distressed urban areas.

In total, according to the 36 State economic development offices that have enterprise zones, these zones since 1982 have created more than 250,000 jobs, and have attracted more than \$28 billion in capital investments. All that has been done without Federal tax incentives which are the sweetest of the sweeteners that we could offer to attract business in enterprise zones.

It is true that some of the zones have not been as effective as others, but overall I think there is a broad and deep consensus that enterprise zones have been a success. That is why they are endorsed by, among others, the National Governors Association, the National Council of State Legislators, the Council of Black State Legislatures, the Conference of Mayors, and the Conference of Black Mayors. These organizations have all called for the adoption of enterprise zones widely across America.

Madam President, the proposal which the administration made on Tuesday does, as I have said, contain some important, constructive, creative ideas to help cities in poor areas. Many of those were taken from the Urban Community Building Act of 1993, introduced by Senator BRADLEY, which I cosponsored in part, including, particularly, community policing and enterprise grants.

But I want to stress that the enterprise zone parts of the administration's proposal, as distinguished from some of the other proposals of assistance to urban areas and poorer rural communities, I believe, show a fundamental misunderstanding of the enterprise zone concept and the reasons why so many of America's poorer areas have reached the point of decay that they now experience.

Madam President, I would like to quickly outline three areas of concern I have about the administration's enterprise zone legislation. The first is the number of zones; the second is the cost of the program; and the third is the need for capital-based incentives.

The administration's proposal calls for only 10 urban and rural communities around the country to be designated as enterprise, or empowerment zones.

Under the 10 zones that would be created under the President's proposal 6 would be in urban areas, 3 for rural areas, and 2 to Indian reservations.

While the proposal does purport to create 100 additional enterprise communities, the 100 cannot really be characterized as enterprise zones because they do not receive the package of incentives that have been associated with enterprise zones and which are really necessary to make them work.

That is simply not an adequate response to the needs across America. In fact, unfortunately, cities will guarantee that the vast majority of distressed areas in this Nation really will have no chance of being designated an enterprise zone.

For instance, if I may speak personally, under the administration's proposal, my own State, which has three of the poorest cities in America, which are smaller cities, and has had a number of successful enterprise zones for a decade, will have effectively no chance of getting one of these six real urban enterprise zones. There are hundreds of

metropolitan cities which are in need of similar assistance, but only 10, under this proposal, will receive enterprise zone designation.

Then there is the cost. The administration proposal will provide these 10 enterprise zones with approximately 3 billion dollars' worth of incentives over the next 5 years. Assuming equal distribution of those incentives, the proposal therefore would provide 300 million dollars' worth of tax benefits to each enterprise zone. Frankly, this is simply too rich a subsidy per zone. Enterprise zones are not going to attract, in most cases, major existing employers. They are going to attract startup businesses, which we so desperately need, and small businesses. The \$300 million per zone simply cannot be utilized by these smaller startup firms. In fact, it is highly unlikely, based on the experience of the State programs, that anywhere near this level of tax subsidy is necessary. The key to the enterprise zone program is the ability to use limited Federal tax dollars to leverage private capital, to bring more private capital into our cities and poorer rural communities where it is needed. You simply do not need \$300 million per zone to achieve that. And when you spend \$300 million per zone to achieve that you are not going to help or create very many zones across America.

Mr. President, as I have indicated, the administration has suggested this program is designed, at this level of generosity, in order to test the enterprise zone concept. But, again, I state that enterprise zones have been thoroughly tested in 36 States and in more than 2,200 communities over the last decade, and they have been successful.

According to the American Association of Enterprise Zones, in a letter sent to President Bush last year:

Never in the history of domestic policymaking have literally hundreds of cities demonstrated the principles of a Federal program before Congress has authorized its full operation. We are confident that we understand the way enterprise zones perform; thus we can confidently urge Congress to implement the Federal policy in more than a handful of communities.

That was from the American Association of Enterprise Zones.

It is important to note that these zones, Madam President, do not represent a radical departure from traditional, long practiced and accepted economic development activities. From the State and local perspective, the notion of using incentives to attract business development investment in jobs is not new. Democrats and Republicans, liberals and conservatives and moderates have all embraced this concept. The fact is that enterprise zones represent a slightly different spin on traditional State economic development activities by targeting those traditional incentives specifically to smaller economically distressed areas.

Madam President, I think it is also important to note the troubling prece-

dent, unintended I am sure, that the administration's enterprise zone proposal would set. When we eventually come to a determination, or they do, that this program is indeed successful, as I am sure they will, it will cost enormous sums of money to expand the program to all eligible areas at the current rate.

For example, under the administration proposal, it would cost us an additional \$30 billion to expand this program to an additional 100 communities, among the thousand that probably need it.

Finally, Madam President, let me address the issue of incentives. The object of the enterprise zone program is to use tax incentives to direct investment in job opportunities, job creation to distressed urban and rural areas. The increased investment and employment, spurred by the package of incentives, can promote revitalization of these distressed areas. In order for the program, therefore, to achieve its desired results, the package of incentives must be strong enough and practical enough to attract the necessary business and investment activities.

Critical to that, Madam President, I believe is that the package of incentives must reduce capital, as well as labor costs, so that a firm thinking of starting up or relocating will be willing to override other factors that adversely impact the decision to locate in a distressed area, including access to markets, quality infrastructure, efficient transportation, a skilled work force, quality of life, and security from crime.

I cannot adequately stress the importance of capital incentives. They must be a component of any program and must be targeted toward small businesses. What we are talking about here is giving a smaller startup business that extra ability to get the capital, the money to start the business that they could not get or would find difficult to get outside the distressed area, and that is what will bring them into the distressed area.

There is a broader point here, too, and I come back to it finally. Capital incentives are important because they are the one way—the one best way—in which the Government, with a small expenditure, by reducing taxes, can draw in a large amount of private capital. That, I think, makes enterprise zones probably the most cost-efficient way to try to raise up our distressed urban and rural areas.

Madam President, it is clearly time to do something on a national scale about urban and rural decay and chronic unemployment, underemployment and decay that not only encompasses whole sections of every one of our cities and so many of our rural areas, but also in so many cases spans generations of families that live within those areas.

This is a cloud over our Nation's future. The unemployed and the poverty

stricken and the places in which they live are in need of our help and they deserve our help.

The President's proposal contains much in it that will offer constructive and creative assistance but, again, I state in conclusion, that on the question of enterprise zones, it is below the level and substance of need.

I look forward in the coming weeks and months in working together with the administration to fashion a program that will utilize our resources, limited as they are, to the maximum and will have the kind of job-creating, property-tax-reducing effect on our cities and poor rural communities and Indian reservations that we, and they, so desperately desire.

I thank the Chair. I yield the floor, and 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. SIMON. Madam 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.

#### AIRSTRIKES IN BOSNIA

Mr. SIMON. Madam President, I watched with growing concern what happened yesterday in Bosnia in the Parliament. I am old enough at the age of 64 to have seen some history, and you were present, Madam President, when 2 weeks ago, we had a retreat of Democratic Senators. Two weeks ago today, there was the dedication of the Holocaust Museum. The next evening at the retreat, Ambassador Madeleine Albright spoke to the Democratic Senators, and then we had a discussion on Bosnia.

I remember getting up and advocating firmer measures. I remember one of our colleagues got up and said, "You have to remember, if you use airstrikes, you have to ask what happens next." And he went into a scenario. And then I got up and said, "I think that is a perfectly proper question. But you also have to ask the question, what happens next if we do nothing?" And our colleague, Senator PAT MOYNIHAN, gave the best two-word answer I have ever heard to a question. He said, "Another museum."

We cannot repeat history. Two days ago, Senator JOE BIDEN, Senator JIM JEFFORDS, Senator HARLAN MATHEWS, and I met with the Bosnian Foreign Minister and he told vividly about what is happening in the slaughter of tens of thousands of innocent people.

I asked him what happens if, in the Bosnian Parliament—so-called Parliament, because they were not elected by anybody—they are simply using a delaying tactic, and that is what has happened. It was interesting listening

to the radio this morning; Secretary of State Warren Christopher described it as precisely that. The community of nations cannot sit back idly and do nothing. I think the time has come for airstrikes on artillery positions, artillery positions where the Bosnian Moslems have no chance to respond. And it is clear now from talking to military leaders that airstrikes could be effective.

It is important to get the message to the Serbian leadership—and we are talking about the Serbian leadership, not the Serbian people—to get that message to the Serbian leadership—and frankly, as well, to the Serbian people—so that Serbia does not increase its appetite. That is the lesson from Adolf Hitler. If you gobble up one piece of territory, you are not satisfied. It is a little bit like an alcoholic: One drink is not enough. But it is a message that we have to get not only to the Serbian leaders; it is a message that we have to get to dictators all over the world. You cannot move in on neighboring territory without the community of nations responding.

Our response, frankly, Madam President, has been far too weak. We should have been responding 18 months ago. I am not blaming the Bush administration. I think our response under the Clinton administration has also been too slow, too anemic.

People say, "Why do you favor doing something now, and you did not favor it under Desert Storm?" In Desert Storm, we did not try the economic boycott, and there it was much easier work. Here, we have dallied around with economic boycotts and other things, and it just simply has not worked.

I think we have to do more. Let me add it can be limited. The Bosnians are not asking for ground troops. And I do not favor sending ground troops in.

Some people talk about Vietnam. In Vietnam we had 525,000 ground troops. In Vietnam, you had a much murkier, much less distinct kind of situation. In Bosnia, you have innocent people being killed. You have rape as a matter of public policy on the part of some people.

I think we have to respond. The time is past for sitting around twiddling our thumbs, saying, My, it is terrible what these people are doing. We have to do something. And I hope we do it quickly.

Mr. President, I see my distinguished colleague from Colorado who has eloquence in his voice about to address the Senate.

I yield the floor.

Mr. CAMPBELL. I thank my colleague.

Mr. CAMPBELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Colorado.

#### BYRON WHITE FEDERAL COURTHOUSE

Mr. CAMPBELL. Madam President, recently I introduced legislation, S. 812, that would name the new Federal courthouse in Denver, CO, after U.S. Supreme Court Justice Byron White, who will be stepping down in July.

Mr. President, as you know, Justice White is a native Coloradan, the only Coloradan to serve on the Supreme Court. He was born in Fort Collins and grew up in Wellington where his father served as mayor. A Phi Beta Kappa graduate of the University of Colorado, he went on to Oxford as a Rhodes scholar and then to Yale Law School where he graduated magna cum laude in 1946.

Of course, his athletic achievements nearly paralleled those in his academic career. An outstanding football player, he had the nickname "Whizzer" White while he was at the University of Colorado, a name which in later years he particularly detested. But it stuck over the years in Colorado. And he led that university to an undefeated season and the victory in the Cotton Bowl.

After graduation, he played for the Pittsburgh Pirates for one season, commanding a salary of \$15,800 which, as he described it, would pay my way through law school.

Justice White's illustrious career in the law began when he served as law clerk to then-Chief Justice Fred Vinson. He then returned to my State of Colorado where he practiced law in Denver for 14 years.

In 1960, Justice White headed the Colorado Kennedy Committee where he played a key role in securing Colorado for John F. Kennedy's Presidential nomination. He then became chairman of the National Citizens for Kennedy, a group formed to attract both independents and Republicans.

After President Kennedy was elected, he served as Deputy Attorney General under Attorney General Robert F. Kennedy until 1962, when President Kennedy nominated him as an Associate Justice of the U.S. Supreme Court. He was confirmed unanimously by the Senate just 13 days later. Upon his retirement in July, he will have served the Court and the Nation as an Associate Justice for over 31 years.

Because of his impressive achievements in the law and his long judicial service, I find it only fitting to name the new Federal courthouse in Denver, CO, after Justice Byron White. I hope that my colleagues will agree with me and will join me in supporting this legislation to honor such a distinguished Coloradan and American.

I yield back my time, Madam President.

I see my colleague and friend from Oklahoma is here.

Mr. BOREN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BOREN. Madam President, I thank my colleague.

#### A WINDOW OF OPPORTUNITY OF MFN FOR CHINA

Mr. BOREN. Madam President, I rise today to speak briefly on the issue of most-favored-nation status for China.

As my colleagues may know, last December I visited China with my good friends Senators PELL and LEVIN. I came away from that trip convinced, Mr. President, of the economic and geopolitical importance of the relationship between the United States and China. And I have been encouraged by the positive steps the Chinese Government has taken this year, including the release of Wang Dan and several other prominent individuals including some religious leaders, and the opening of the Tarim Basin to foreign exploration for oil.

I might indicate that some of these actions which were taken were discussed by our delegation with high leaders of the Chinese Government during our time in China. We were encouraged and appreciative that these actions have been taken.

But while these actions are significant, many fundamental issues of concern remain to be addressed.

Now, as the Congress prepares to revisit the issue of MFN renewal for China, there exists continuing pressure to ensure that the conditions stipulated in last year's legislation sponsored by the majority leader will, in fact, be met. This debate, as my colleagues are aware, can take on a dynamic of its own after a point. Members who are ambivalent can find themselves locked into positions less nuanced than their own personally held opinions.

The debate has already begun informally, and the pace promises to pick up. But I believe that time still remains for the Chinese to make a decisive and dramatic breakthrough, and I come to the floor today in part to urge the leadership in Beijing to seize this moment.

For instance, I am extremely concerned about reports this morning that China has shipped missile parts to Pakistan in violation of its pledges not to do so. I do not know whether or not these reports are accurate. In any case, a clear reaffirmation of China's non-proliferation commitments is clearly crucial. I also believe the release of Wei Jingsheng and others from the 1979 Democracy Wall movement, an expression of general amnesty for those involved in Tiananmen Square, positive action on Tibet, and a decision to allow visits with prisoners by the International Red Cross, could have a very significant impact on our debate as we began to study the MFN issue. I urge leaders in Beijing to give serious consideration to these proposed actions.

I hope, Madam President, that the Chinese Government recognizes that a window of opportunity for major progress this year in Sino-American relations will soon close as we begin the MFN debate. Time is of the essence.

I understand the arguments that some in this body have made in favor of the unconditional renewal of MFN. Our relations with China are of a scale and significance that would make MFN appear at times to be less than adequate as a primary tool of diplomacy. I also believe that the United States should continue to develop other means—whether in trade, nonproliferation, or human rights—to communicate our differences and to influence the actions of the Chinese Government. We should rely less on MFN.

On the other hand, Madam President, the fact is that we have inherited a set of circumstances under which conditionality represents a certain benchmark—and even the most subtle shifts from previous benchmarks are read very closely by the Chinese. Let us move with that in mind.

I would add, for the record, that if it becomes clear that the Congress intends to delineate conditions for the future renewal of MFN for China, I believe it would be advisable to give the broadest reasonable discretion and flexibility to the President of the United States in this matter.

In the coming weeks, I know the Clinton administration will be consulting with concerned Members as it articulates its policy, and I expect that there will be delicate deliberations on how best to proceed.

But let there be no mistake: I believe Members on all sides of this particular issue stand ready to work with the administration to advance our shared strategic goal—a better relationship with China, and a China better in accord with American concerns.

In the meantime, let us hope that Beijing acts soon to help move the United States-China relationship onto more solid footing. And let us hope that we may soon focus on what brings our nations together, rather than on what divides us.

I thank the Chair. I yield the floor.

Mr. DODD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Connecticut.

#### YOUTH VIOLENCE

Mr. DODD. Madam President, I rise this morning to address my colleagues in the Chamber on a matter of consistent and unfortunately urgent concern to each and every Member of this Chamber and body. I speak, Madam President, of the fate of our youngest citizens.

Today, there is an awful lot of talk about children's issues, but I want to remind each and every one of us that

whether it is the appalling infant mortality rate, the shameful numbers of children living in poverty, or the alarming rate of violent death, behind each new and ever more shocking statistic is a child's face.

Last week when I chaired a hearing on family support programs, the most powerful testimony came from a mother who had been a pregnant crack addict. Her teenaged daughter had been taken from her. But she now has a healthy baby boy and her daughter both living with her. She is employed by the residential program that helped her stop using drugs, and she is becoming a certified drug and alcohol counselor.

The reality of those who have lived through the pain speaks more powerfully than any abstract numbers as we try to educate one another about the importance of these issues.

Madam President, I cannot bring these witnesses to the floor of the U.S. Senate. We are not allowed to do that. So over the next few months, I am going to try and represent their interests in this Chamber. I plan to come here frequently to try and tell my colleagues about an individual child's or family's suffering. Maybe by talking about individual children and families, we can begin to heighten the awareness and interest of what is occurring in our streets and country today. Many of my colleagues, I know, feel as strongly—or even more strongly—than I do about these issues, and I am grateful for the support we have received in passing what I would call child and family friendly legislation over the last few years.

Madam President, we are losing the battle more quickly than one can possibly imagine. Today I want to commend the Chicago Tribune for putting a child's face on violence in its series entitled "Killing Our Children," a chronicle of the tragic murder of Chicago's young. In a laudable campaign for public awareness, the Chicago Tribune, on January 3, began to feature a front-page story on each child under the age of 14 killed in its readership area in 1993. As of today, the Chicago Tribune has run stories of 17 child killings in 1993, with close to 50 related articles on violence within their readership area.

I ask unanimous consent that the January 3 article be printed in the RECORD in its entirety.

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

[From the Chicago Tribune, Jan. 3, 1993]

#### KILLING OUR CHILDREN

(By Steve Johnson)

No. 44 you know about. He was a 7-year-old killed by a sniper in October as he walked to school with his mother. His name was Dantrell Davis.

His murder shocked people. It shouldn't have.

Before his death, killers claimed 43 children under the age of 15 in Chicago and its suburbs in 1992. After his death, 13 more kids were slain.

Most of these children you know little about. Many made the journey from birth to a slab in the county morgue with little more notice from middle-class Chicago than the few lines they receive in the list accompanying this story. But like the classified advertisement that writing instructors call the shortest short story—"For sale: One pair baby shoes; never used"—each of these paragraphs describing the 57 deaths is its own short story.

Taken as a whole, the list is a tragic novel of epic proportions. It is a tale of a society that—in its inability to perform a fundamental duty, the protection of its most vulnerable members—is yielding its claim to the term "civilization."

Yes, we have literature, opera and laws governing the height of grass in suburban yards. But we also have the following, now occurring often enough to be characterized as "routine": a baby going almost literally from cradle to grave, allegedly shaken to death by his mother's boyfriend for the crime of crying too much; a 10-year-old killed by a stray bullet as his father parks the family car so the boy can play in the snow; an adolescent fatally shot while nursing a gunshot wound received the week before during gang cross-fire.

Just seven months before Dantrell Davis died, a schoolmate of his 9-year-old Anthony Felton, was shot to death, also by sniper fire, also on blacktop adjacent to the boy's school.

Pick a few more: There were Raphael, Christopher and Danielle Turner, ages 5, 7 and 4, killed by arson. There was Taylor Briana Huggins, 7 weeks old, allegedly beaten to death by her 15-year-old father, there was 12-year-old Shamin Watters, stabbed to death in a fight with a 14-year-old girl.

Emily Hernandez, Tyjuan Cox, London Akins, Kevin McMillan, Holly Staker. . .

There is a crisis in Chicago and its suburbs and a crisis nationwide. In 1981, according to FBI statistics, there were 864 homicide victims age 14 and under in the United States. In 1991, the last year available, there were 1,075 an increase of 24 percent.

About half of that increase occurred among 10- to 14-year-olds. That rise is directly attributable to gunplay, a word whose whimsicality is both an affront to decency and a perfect description of how casually some use firearms. In 1981, guns killed 107 of the 214 homicide victims in that age group. Ten years later, they killed 209 out of 290.

Much of the rest of the increase occurred in children who had not reached their first birthday. In 1981, 182 kids younger than 1 were killed, compared with 304 a decade later.

"Homicide rates in this country were actually higher nine, 10 years ago," said Dr. Robert G. Froehike, an epidemiologist with the Michigan Department of Public Health. "But if you look at it by age, homicide rates in children are the highest they've been for this century."

While the killing of children is mostly a city problem, because that is where the poverty that produces violence is most entrenched and concentrated, it is not exclusively so.

Of those 57 deaths in 1992, seven occurred in Chicago's suburbs and one victim was a suburban resident killed in Chicago. Among them were an 11-year-old baby-sitter raped and slain on the job in Waukegan, a 13-year-

old schoolgirl shot on a street in Evanston, and twin babies smashed against a wall, allegedly by their father, in the family home in Riverside.

Two west suburban high schools, Oak Park-River Forest in Oak Park and Proviso West in Hillside, had their first gun incidents last fall. Earlier in the year, a pupil at Julian Junior High School in Oak Park brought a handgun from Julian to the suburb's Longfellow Elementary School, where he showed it off to 6th graders. This time, at least, the display did not end in death.

Laurie Dann shooting up the Hubbard Woods Elementary School in Winnetka in 1988 was the most publicized invasion of a classroom. But in Chicago, as in other large cities, schools are now so grotesquely accustomed to students carrying guns that metal detectors routinely guard the doors. Since September, the Chicago Police Department's school patrol unit has seized 93 guns in and around city schools.

The notion that a school is by definition a haven from street crime, an island of succor and sanity, has grown absurd.

Standing on a street corner, an apparent gang member was talking to a reporter last month after witnessing the second gang-related shooting in a week outside Lake View High School. The Chicago school stands at Ashland Avenue and Irving Park Road, in a neighborhood where some single-family homes sell for as much as they do in the North Shore suburbs.

"The only way you can [shoot someone] is in school," explained the student, a freshman. "Out here, there's too much going on . . . too many cars, too many cops."

Katherine Flanagan, principal of Manley High School in Chicago's impoverished North Lawndale neighborhood, has had two of her students gunned down this year away from school grounds.

"Now it's so easy for people to pull a trigger," she said. "It's just unreal how easy it is, and there's just no respect for another human being."

While the killing may occur mostly in poor areas, the attendant problems are everybody's. When human potential is cut short, we all lose. When it is dimmed by constant exposure to violence, we all lose.

Is that too sentimental for you? Try simple economics. An increase of violence means more criminals, more tax dollars to jail them (currently about \$25,000 per inmate per year) and to build jails to hold them (\$42 million is being spent on a new 450-bed jail in Du Page County).

Look at the picture on the front page of this newspaper. Taxpayers pay the salaries of that army of Cook County Hospital trauma unit specialists gathered around the teen, who died. Victims who live can cost taxpayers up to \$2,350 a day for care at the hospital.

Or try fear. A culture growing more hostile will not confine itself to city borders. Criminals don't just have guns and attitude; they have cars.

"Our society is not set up in walled, medieval cities, and problems that occur in one segment of society, if they get bad enough, reach out and touch others," said Dr. Katherine Kauffer Christoffel, an attending pediatrician at Children's Memorial Hospital and an expert on violence against children.

Throughout this year, the Tribune will examine in detail every murder of a child 14 and under in Cook, Lake, Du Page, Will, McHenry and Kane Counties. The first purpose is to remember those who are so easily forgotten. The second is more complicated:

to shine light on the problems that have brought us to this moment and to search for remedies.

The death toll will probably seem wearying at times, both to readers who have been touched by it personally and to those who feel they and their children are safely removed from the battleground. But it is important to remember that the dead kids could be anybody's. In interviews this past year, the families and friends of the victims invariably remembered the dead as having loved Nintendo, pets, pizza or Michael Jordan. Whose child does that not describe?

It is not a project entered into lightly. Experts in the field of violence against children, and those who try to combat it daily, were asked whether such a persistent drumbeat of reporting might seem more exploitative or inflammatory than elucidating. Most said this: When faced with a situation so obviously unacceptable, it is more important to try to do something than to sit back and find reasons not to.

Many among the experts consulted shared the opinion of Dr. Robert Kirschner, deputy chief medical examiner of Cook County. "I can't think of a good reason why not," Kirschner said. "People need to realize what an enormous toll all violent death and non-natural death takes on our kids."

Isolating the murders of those children age 14 or younger has several advantages. For one thing, 14 is a cutoff point for one set of national murder statistics kept by the FBI, making it possible to compare numbers between cities and within cities from year to year.

For another, if we can't begin to understand how to keep the children from dying, how can we hope to keep them safe throughout their later teenage years and into adulthood?

This doesn't mean the paper will ignore the scores of older murder victims. For African-American teens and young men, especially, the numbers are appalling: In 1989, the homicide rate for white males age 15 to 24 was 12.8 per 100,000; for black males, it was 114.8, and gunshot wounds were the leading cause of death.

Nor will the paper ignore those children who die accidentally, like the 4-year-old Joliet girl killed last week by her 3-year-old brother wielding the family handgun.

But the hope is that focusing on the murder of the very youngest will help make the problem more vivid.

Remedies are elusive. All evidence suggests that the killing of children is the result of a web of social ills, each filament lending strength to its neighbors, each so strong on its own that it is overwhelming just to contemplate doing something to cut it.

Dozens of law enforcement officials, psychologists, child welfare authorities, teachers and kids themselves named the same problems time and again.

There are more guns available, and those guns are more lethal than ever before. There are guns on the streets of our cities that have no purpose except for taking human life. Mac 10s, Tech 9s and Uzis were among the more than 21,000 illegal firearms confiscated by the Chicago police last year; they are not made for hunting game.

There is a growing gap between wealthy people and poor people, and poverty is increasingly concentrated in specific neighborhoods.

More of the people who are having babies simply are not prepared—emotionally, financially, educationally—to do so. An increas-

ing number of child abuse deaths are attributable to what experts have named "shaken baby syndrome." There are parents who simply don't understand this most basic fact about infants: They are too fragile to be shaken violently without risking death.

In the suburbs, in middle-class city neighborhoods and in their traditional low-income strongholds, street gangs are gaining influence, even as they are recruiting younger members to their bloody ranks. Their violence, often indiscriminate, is fueled mostly by the lust for the lucre that illegal drugs brings. And those drugs, especially highly addictive crack cocaine, contribute to a situation in which more babies are not safe around even their mothers.

Meanwhile, racism remains a stultifying part of the culture, meaning poor black and Hispanic children, especially, being life practically destined to have lower self-esteem and lower expectations than their white peers, a fact that can translate into a feeling of being apart from the society at large and its rules.

Educators, researchers and residents of high-crime neighborhoods report that even very young children there increasingly use violence as the first option in settling disputes.

And children, no matter how innocent or how hard they may seem, cannot help but notice that something is not right in their lives.

This was demonstrated graphically in December when the Hyde Park Bank held an award ceremony to honor winners in its essay contest, "My Neighborhood."

An official of the bank imagined the contest producing paeans to playgrounds and other totems of childhood. It did—a very few. Mostly it tapped a geyser of bitterness and fear and despair.

A 6-year-old, Sean A.R. Williams, called his essay "Trapped in My House."

"The houses in my neighborhood look so pretty, but I don't see my neighborhood much," Williams intoned from the lectern, reading his essay aloud to the hundreds gathered in the bank. "I only go outside when I get in the car or go to school."

It was a theme echoed by almost all of these most gifted and motivated of South Side students. If their parents care, if they want their children to survive their surroundings, they turn them into virtual prisoners in their homes.

And even there, the children learn early to scurry away from windows when the gunfire starts.

Demetrius Jones, 13 years old and seemingly more world-weary than many four times his age, offered sentiments whose rawness belied his neat typewriting and perfect grammar.

"I feel as though the world and the people may come to an end," read his essay. "No one seems to care about the children of the future."

Asked later if he saw a solution, or even any hope, he was tight-lipped. "Really," he said, "nothing can be done."

For another demonstration of the effect of street violence, turn to Gatling's Funeral Home, the complex on the Far South Side that can count Dantrell Davis' family among its clients. There, another visitation for a boy was taking place one recent day.

Charles Dixon, a 15-year-old whose parents struggled in vain to save him from the streets, had been strangled, drugs and dice found by his body, according to police.

The kids in the front row of the funeral parlor, friends of Dixon's, had seen death be-

fore, but were curious still. They approached their friend's body in its open casket, pulling back his shirt collar to check for strangulation marks.

One mentioned that Dixon will be buried in West Virginia. This triggered an association, and another chimed in that "George's" body had been shipped to Arkansas. George was a friend who had been shot the week before Dixon was strangled.

A few moments later, one of the girls in the group picked up a program referring to another funeral in the complex.

Reading through it, she pointed and exclaimed, "That's Antoinetta's baby. Let's go see Antoinetta's baby."

The young people left the room containing one dead friend in search of the room displaying the dead baby of another friend.

The majority of children, of course, will survive to adulthood, no matter how challenging their situations. Pondering them, the question becomes: What kind of scars does an atmosphere of violence leave?

Research suggests that those children who are exposed to violence are more likely to commit violence. A kid scared by the guns around him feels that getting his own gun is the best way to protect himself and his family.

At a Christmas party for child psychiatric patients at Cook County Hospital, two girls who had survived a horrible attack on their family laughed at a clown who pretended to have a talking insect. But an aunt of the girls said the attack had left behind a residual "hatefulness" in them.

"They get evil, real mean," the aunt confided. "One, she destroys everything she gets her hands on."

Those who have studied children growing up amid violence say their behavior changes: They have trouble sleeping, have repetitive nightmares, develop facial tics.

"In some respects, the experience of these kids probably more resembles the experience of children in war zones than in what we like to think of as normal society," said James Garbarino, president of Chicago's Erikson Institute for Advanced Study in Child Development. "In Mozambique, which is recognized as one of the most hideous civil wars on the planet, a survey found that 75 percent of kids had witnessed a killing. We have neighborhoods in Chicago where the figure is 35, 40 percent."

"It kind of blows away their idea of the world."

The killing of children occurs essentially in two ways: Parents or caretakers slay their infants, and adolescents die in street violence. Those in between who are killed are frequently bystanders.

Christoffel, of Children's Memorial, studied all reported homicides and violent deaths of children 14 and under in Cook County for the years 1977 to 1982. There were 230 homicides, an average of less than 40 per year, and 207 other violent deaths.

She found that 61 percent of the victims were male, a proportion that increased after the age of 1. Black children were 70 percent of the dead, although they were just 34 percent of the county's under-15 population in 1980. Gunshots caused almost half of the homicide deaths among 10- to 14-year-olds.

"Winter is more dangerous for younger children (who get beaten)," Christoffel wrote, "and summer for older children (who get shot)."

Where 10 or 20 years ago, a fight may have been settled with fists or even knives, now there is more likely to be a gun around.

In 1950, according to the federal Bureau of Alcohol, Tobacco and Firearms, there were

50 million non-military guns in the United States. By 1970, the number had doubled. Two decades later, it had doubled again, to 200 million.

The bureau estimates that there are 3 million "crime guns" on the streets, said Special Agent Jerry Singer, and guns are available for as little as \$35.

The number of gunshot wounds treated at Children's last year was more than seven times the number in 1980.

"It basically comes down to the availability of firearms, a deadly weapon that's easy to use and kills quickly and efficiently," Christoffel said. "Although homicides in the style of the inner city are not widespread in middle-class suburban areas, guns are, and therefore suicides are and unintentional homicides are."

Meanwhile, said Christoffel, unemployment and low wages push city youth into the violent drug trade, while movies and television are delivering to boys a message that "they should shoot."

"So you have more guns lying around, you have job and social situations that call for their use, and then a strong media message that promotes it. That's a mass marketing technique, isn't it? That's what you'd do if the goal was to increase shooting."

Of the 57 Chicago-area child killings last year, 23 were by gunshot, while 26 were allegedly cases of infant abuse by parents or caretakers. In all but three of the abuse killings, a father, mother or boyfriend of the mother was charged. At least 14 of the deaths occurred in Chicago Housing Authority developments.

Studies by the beleaguered Illinois Department of Children and Family Services have found that child-abuse deaths tend to occur in low-income households headed by single parents, usually women, with little education, living in overcrowded households in neighborhoods where there are few social services.

Just one in seven of the deaths in one DCFs study happened in areas where the median household income was above \$18,000.

While the number of child-abuse deaths has fluctuated from year to year but has not generally increased in Illinois, nationwide it has. In 1991, there were 1,383 such deaths, an increase of 10 percent over 1990 and 22 percent over 1985, said Deborah Daro, director of research for the National Committee for the Prevention of Child Abuse, headquartered in Chicago.

"We think we may be seeing children who live in the most violent situations at much greater risk than five or 10 years ago," Daro said. "The one thing we would have said then is, 'We can prevent fatalities.' And now I don't think people would say that."

Stories involving the DCFs are frequently about a director leaving, a cutback in staffing, or a child, now dead, whom the agency failed to protect, but private social-service agencies report they, too, are underfunded and overwhelmed.

"We had last summer a child—4 years old—walk in and say he watched his father kill somebody," recalled Karen Haigh, child development director for Chicago Commons, a multisite social-service agency in low-income areas. "And nobody knew how to handle it. And you know what? I'm going to be perfectly honest with you: We didn't handle it."

"We never dealt with it. All the shooting was going on the same day, and it was just too much."

One recent afternoon at the Elliott Donnelley Youth Center, the South Side

haven of games and activities where she spends her after-school hours. Cherita Mallett stopped her play for a time to talk about her neighborhood.

Cherita, with her shy manner said hair in multicolored ribbons, is the picture of childhood vulnerability. She talks in almost a whisper, but on occasion will blurt out something like, "I like to read because reading is FUNdamental."

But reading is not so easy to concentrate on, she said, when the shooting starts. When it begins, she said, "I run under my mother's skirt." When it awakens her, she worries for her older brother. She has warned him about gangs and has lectured her family that if they use drugs, she won't go to their funerals. She is 9 years old.

"Sometimes I think I won't see my 10th birthday if I'm out in the streets," Cherita said. "I would be kind of happy if they would stop the killing just a little bit."

[From the Chicago Tribune, Jan. 3, 1993]

#### 1992 VICTIMS: THE TOLL DAY BY DAY

RAPHAEL TURNER, 5; CHRISTOPHER TURNER, 7; DANIELLE TURNER, 4

Died Jan. 6.

The three brothers died along with their 29-year old mother, Tammy Turner, in an arson set just after 8 p.m. at their far South Side apartment at 11259 S. Edbrooke Ave. Police believe the fire was directed at a first-floor drug dealer's apartment, but the case remains unsolved.

#### BABY DOE

Died Jan. 15, newborn.

The female baby was drowned only moments after being born in a bathroom at 2919 W. Monroe St. Her 15-year-old mother has been convicted of involuntary manslaughter and was sentenced to one year of probation.

#### EMILY HERNANDEZ

Died Jan. 17, age 1.

Emily was suffocated with a pillow in her apartment at 707 W. Sheridan Rd. in Uptown. Her mother, Olga, 25, and father, Juan 30, were also stabbed to death. On Aug. 3 police charged a 42-year-old man and a 23-year-old woman with the murders, alleging the pair went to the Hernandez home intending to reclaim money.

#### ERNEST MATTHEWS JR.

Died Feb. 2, age 2.

Ernest, of 2245 W. Lake St., in the CHA's Henry Horner Homes, died after being hospitalized since Jan. 19 from a beating. His 21-year-old father was charged.

#### SHOHIB UDDIN, 2; ARASK UDDIN, 4

Died Feb. 9.

Shohib and Arask were suffocated by their 48-year-old father, Mohamed Uddin, in their second floor apartment at 5401 N. Rockwell St. He also killed the boys' mother, Fateme Khazai, 42, before killing himself by driving his car into Lake Michigan.

#### MYKEL SCOTT

Died Feb. 18, age 2.

Mykel, sitting in the back seat of his uncle's car, was hit by a stray bullet at 4851 S. Champlain Ave. and died 12 hours later. At the time, he and four other children were getting a ride home from his cousin's birthday party. In June, police arrested a 17-year-old reputed gang member in the shooting. He was charged with first degree murder.

#### RAMON ROBERTS

Died Feb. 27, age 1.

Ramon died of injuries sustained three days earlier in his house at 6508 S. St. Lawrence Ave. His 32-year-old father, Samuel Roberts, is charged with murder.

#### ANTHONY FELTON

Died March 8, age 9.

Anthony, who wanted to be a boxer, was shot to death when a reputed gang member sprayed gunfire at the playground next to the Jenner Elementary School in the Cabrini-Green CHA development. Police charged a 13-year-old and two 17-year-olds with the murder.

#### VINCENT STUECKLEN

Died March 9, age 2.

Vincent, of 4835 W. Montrose Ave., was allegedly beaten to death by his mother's 26-year-old boyfriend, Edmond DeBock, because he wouldn't stop crying.

#### TYJUAN COX

Died March 15, age 14.

Tyjuan, a resident of Rockwell Gardens CHA development, died of gunshot wounds sustained 11 days earlier while sitting in a car in the alley at 4227 W. Fillmore St. A 15-year-old, a 20-year-old and a third man are charged with shooting Tyjuan in retaliation for a fight.

#### SAONNIA BOLDEN

Died March 17, age 2.

Saonnia was allegedly beaten to death by her mother and mother's boyfriend in an apartment at 710 E. 133rd St., in the Altgeld Gardens CHA development. Sadie Williams, 22, and Clifford Baker, 30, allegedly poured boiling water on Saonnia after she wet herself.

#### LONDON AKINS

Died March 22, age 13.

London was shot to death in his house at 13211 S. King Drive along with his mother, Sheryl Akins, 34.

#### SHAMIN WATTERS

Died March 23, age 12.

Shamin was stabbed to death during a fight with a 14-year-old girl at 1433 W. 13th St. in the CHA ABLA homes.

#### RAMAINE HOLIDAY

Died April 7, age 14.

Ramaine was shot to death on a West Side street after arguing with a 25-year-old man over a girl.

#### RONNELL PATTON

Died April 11, age 14.

Ronnell was shot to death after a fight with two 23-year-olds on the street near his Marquette Park home. Officials charged the two 23-year-olds with first-degree murder.

#### MARCHELLE GIBBS

Died May 9, age 13.

Marchelle was shot to death near her Evanston home. Edward Roberts, 20, allegedly opened fire on the group of youths Marchelle had been standing with, apparently because of a disagreement over a drug transaction.

#### BABY GIRL WHITEHEAD

Died May 9, newborn.

An hours-old baby girl was killed in her South Side home. The 19-year-old mother, Tasha Whitehead, was charged.

#### JASON ALSTON

Died June 27, age 1.

Jason died of a beating received 11 days earlier in a Cabrini-Green apartment. Herman Alston, 34 his father, was charged.

#### SHARIKA NANCE

Died July 4, age 13.

Sharika, of Waukegan, was shot to death during a quarrel at a 4th of July party in an apartment on the South Side of Chicago. A 22-year-old acquaintance, Everette Crite, was arrested four days later.

#### MARCUS MILLER

Died July 7, age 14.

Marcus was shot to death just before midnight in the Altgeld Gardens CHA project. A 23-year-old man was charged in August with his murder.

#### KEVIN MCMILLAN

Died July 25, age 1.

Kevin, of Hyde Park, was beaten to death in an Englewood home. His mother's 19-year-old boyfriend, Keith Reed, was charged.

#### DOMINIQUE WRIGHT

Died July 29, age 4.

Dominique was shot to death and her mother was critically wounded as they stood on the corner of 75th Street and South Phillips Avenue. Four reputed gang members were charged with the murder. Police say the four were looking for rival gang members who had stolen a gold chain from them earlier in the day.

#### NATHANIEL WILES

Died Aug. 2, age 14.

Nathaniel was shot to death at 1:40 a.m. in the lobby of a Stateway Gardens CHA building at 3549 S. Federal St.

#### CIDNEY GAMMONS

Died Aug. 2, age 13.

Cidney, nursing a gunshot wound sustained when he was caught in the middle of a gang shootout the week before, died after being shot again in the hallway of a CHA building at 2931 S. Federal St. An 18-year-old and a 15-year-old were charged.

#### DÉ MON TOPPS

Died Aug. 17, age 13.

Dé Mon, a crossing guard at Bryn Mawr Elementary School who also worked part-time packing bags at a meat market, was shot on the street in the 1900 block of E. 73rd St. at about 10 p.m. He died the next night.

#### HOLLY STAKER

Died Aug. 17, age 11.

Holly, of Waukegan, was raped and then stabbed to death while baby-sitting two children three blocks from her home. Police charged 20-year-old Juan Riviera, who was awaiting trial on burglary charges. Rivera was free on an electronic monitoring program.

#### EDUARDO MENDOZA

Died Aug. 19, age 3.

Eduardo was beaten to death in Highland Park. Officials charged his parents with murder, alleging they beat him repeatedly, possibly because he had vomited and soiled his pants. Eduardo's parents, who brought the child to the hospital, claimed his body was covered with bruises because he fell off a tricycle.

#### ARLENE OSUNIA

Died Aug. 24, age 14.

Arlene was hit by a bullet just after midnight on the street at 4004 No. Greenview Ave. as she entered her mother's car. She died 12 hours later. A 3-year-old and a 15-year-old were charged.

#### COMMANDOR DAVIS

Died Aug. 25, age 13.

Commodor was shot to death just after 10 p.m., when three men opened fire on a group of teenagers standing at 1208 N. Mayfield Ave. Tarius Washington, 19, was charged.

#### LINDSEY MURDOCK

Died Aug. 30, age 6.

Lindsey was raped, stabbed, beaten and strangled in a garage at 107th and State Streets. Mark Maxson, a 31-year-old ex-convict who told police he had bought Lindsey a

bag of potato chips, was charged with the murder three days later.

**ERNEST KELLY**

Died Sept. 6, age 8.  
Ernest was hit by a stray bullet as he played in his yard at 5442 W. Rice St., during the afternoon. He died the next day. A 22-year-old man, Anthony Washington, was charged with murder.

**TAMARA HAMILTON**

Died Sept. 9, age 1.  
Tamara was beaten to death in her apartment at 3317 W. Beach St. Yolanda Young, 21, was charged.

**NEIL MADDOX**

Died Sept. 11, age 11.  
Neil, while walking to his grandfather's house on Sept. 9, was caught in gang cross-fire just after 10 p.m., on the street at 8641 S. Aberdeen Ave. A 14-year-old was charged.

**JASON HOUSE**

Died Sept. 16, age 14.  
Jason, playing near his house with several friends, was shot to death at 4 p.m. on the street at 10235 S. St. Lawrence Ave. Two teenagers were charged.

**JEROME FRANKLIN**

Died Sept. 21, age 1.  
Jerome was beaten in a Stateway Gardens CHA Apartment. His father, Jerome Franklin, was charged.

**JORDAN JONES**

Died Oct. 1, age 1.  
Jordan was beaten to death in an apartment at 5959 S. Morgan St. His father, Reginald Jones, 21, was charged after he could not explain how Jordan was hurt.

**ISSAC ZIEGLER**

Died Oct. 1, age 9.  
Issac, while sitting on his front porch at 824 N. Ridgeway Ave., was hit by a stray bullet from a shootout between a group of youths and a passing car. He died a day later.

**BABY BOY KELLER**

Died Oct. 8, newborn.  
Kimberly Keller, 19, was charged with using scissors to stab her newborn son to death only moments after he was born at her home, 10441 S. Cottage Grove Avenue.

**JOHN AND JESSICA GEVAS**

Died Oct. 8, age 9 months.  
The West Suburban Riverside twins died after their father allegedly threw them against a wall, reportedly because they were crying. Their father, 27-year-old David Gevas, was charged with murder.

**DANTRELL DAVIS**

Died Oct. 13, age 7.  
Dantrell, walking with his mother across a parking lot to Jenner Elementary School, was shot by a sniper in Cabrini-Green. A 34-year-old reputed gang member has been charged with 1st degree murder.

**VANESSA JOHNSON**

Died Nov. 2, age 2.  
Vanessa was allegedly beaten to death in her Englewood house. Her parents, David Johnson, 20, and Latonya Christian, 19, were charged.

**CAIRA JOHNSON**

Died Nov. 8, age 17 months.  
Caira had been hospitalized since Sept. 7, 1991 with head injuries suffered at her home in North Lawndale. Caira's 22-year-old father was charged with attempted murder and aggravated battery in the case. He was acquitted of those charges in a bench trial. The case remains classified as a homicide by police.

**DERRICK ARMSTRONG**

Died Nov. 15, age 13.  
Derrick was shot in the back of the head about a block from the Austin Police Station, where he and a cousin had just posted bail for a friend. He died the next day in Cook County hospital.

**BABY GIRL STREJC**

Died Nov. 17, newborn.  
Donna Strejc, 24, was stabbed in the chest just after 5 a.m. on the city's West Side. Afterwards, she gave birth prematurely to a baby girl at Mt. Sinai Hospital. The baby died about 20 minutes after being born. Michael Baker, 30, was charged with intentional homicide of an unborn child and also with first-degree murder.

**QUINCY SANDERS KING**

Died Nov. 21, age 17 weeks.  
Quincy was beaten to death in his Waukegan home. Police say his mother's boyfriend, 30-year-old Lorenzo Ellison, shook the baby until he died.

**TAYLOR BRIANA HUGGINS**

Died Nov. 24, age 7 weeks.  
Taylor, left with her father for the night was beaten to death and found the next morning on her mother's front porch in Englewood. The 15-year-old father, a student at Tilden High School, was charged.

**GABRIEL MARTELL**

Died Dec. 10, age 10.  
Gabriel, riding in his father's car, was shot in the head and killed by a reputed gang leader. Police say his father had been looking for a parking space so Gabriel could play in the winter's first snowfall. A 24-year-old was charged with the murder.

**MAKITA BURROW**

Died Dec. 10, age 4 months.  
Makita, of 2710 W. Ogden Ave., died after being shaken to death in a CHA apartment at 5135 S. Federal. The 22-year-old boyfriend of her mother was charged.

**SHAHON MIGHTY**

Died Dec. 13, age 8 months.  
Shahon, of south suburban Matteson, died after a beating. His mother's boyfriend, Andrew Driver, 21, was charged with murder.

**JERRY COOPER**

Died Dec. 15, age 3 months.  
Jerry died after a beating in an apartment at the Robert Taylor Homes CHA development. The baby's 27-year-old aunt was charged with murder.

**ANDRE HARDING**

Died Dec. 22, age 2.  
Andre died on the Far South Side as the result of a severe beating, allegedly at the hands of his 29-year-old uncle, Van Dyke Johnson. Johnson had taken Andre to the hospital, where he told officials that the baby had hit his head on the bathtub.

**LAWANDA WIGGINS**

Died Dec. 27, age 8 months.  
Lawanda was beaten to death, allegedly by her mother, Linda, 31. In a statement to police, the mother said that she and Lawanda slept in the same bed, and that she became angry when her daughter wouldn't stop crying and go to sleep.

**ALVIN GILMORE**

Died Dec. 28, age 14.  
Alvin was hit by a stray bullet while he was visiting his grandmother on Dec. 26 at her South Side CHA apartment. The bullet was fired, police said, by Lamonte Lake, 28, the brother of a woman who was involved in a dispute with another woman.

**EDITORS' NOTE**

A society can be fairly judged by how it treats its children. Caring for and guiding them to maturity is its most essential work, for they are the means by which it survives.

By this measure, something has gone terribly wrong in our own community. In appalling and unprecedented numbers, the children are being killed.

During the next year, the Tribune will not let the murder of a single child in our metropolitan area go unnoticed. It will document every one, both to accord the loss of each young life the significance it deserves and to see if detailed knowledge can bring an end to the escalation of violence against those we all have the greatest duty to protect.—THE EDITORS.

[From the Chicago Tribune, Jan. 3, 1993]

**A RECORD WRITTEN IN BLOOD**

There are some records one prays will never be broken. Certainly, the record murder rate for Chicago, established in 1991, was one of them. But when 14-year-old Alvin Gilmore died last Monday night, that record was smashed.

Alvin was Chicago's 928th homicide victim of 1992. Particularly tragic is that he was one of 57 children under the age of 15 who were murdered in the Chicago area.

In today's news pages, the Tribune launches a reporting project that will detail the murders of all children in 1993 in the Chicago area, and will examine the causes and effects of violence against children.

By itself, however, the shooting of Alvin Gilmore tells a significant part of the story behind the startling rise in killings in America.

What ended in Alvin's death began as a petty spat between two neighbors. The argument escalated into a street fight that drew in their families and friends, and somebody reached for a gun.

Alvin wasn't involved in this feud. He was standing in his grandmother's kitchen when a stray slug—one of 16 bullets shot rapid-fire from a 9 mm semiautomatic pistol—came through a window and struck him in the head. Alvin Gilmore, a high school freshman who had saved his own money to buy Christmas presents for his family, would not have died except for the ready presence of a handgun.

Nationally and locally, firearm deaths represent 70 percent of all murders, and their increase in number accounts for the entire rise in homicides in recent years.

A day after Alvin's death, federal officials reported the happier news that traffic deaths are dropping dramatically nationwide—so much so that, if present trends continue, it will be only a few years until homicides exceed traffic fatalities in the U.S. (This is already so in Chicago, where the number of murders in 1992 was four times the number of traffic deaths.)

That's if present trends continue. They don't have to. Just as Americans energized themselves to curb drunk driving and other traffic dangers, the nation must mobilize to stem the deadly menace posed by the proliferation of guns, gangs and drugs.

Nationwide restrictions on handguns and concealable assault weapons are imperative. Just as critical is concerted action to defuse the volatile mix of gangs, drugs, poverty and deepening social isolation—the crucible for so much of the violence.

President-elect Bill Clinton must give urgent attention to his pledge to help desperate urban communities—not with massive 1960s-style handouts, but with policies and

incentives that create jobs and train workers, that upgrade schools and expand early-childhood education, and that promote family formation and stability. He also should shift some resources from the Sisyphean effort to stem drug production and trafficking in other nations to more drug treatment and education in this country.

Mayor Richard Daley must press ahead on stalled plans to initiate community policing projects while revamping the city's gang crime-fighting effort. He has to exert leadership on behalf of Chicago's drifting school and recreation systems, and he needs to encourage more preventive intervention programs such as a recently launched city-state pilot program to assist young gang members and troubled families.

But violence is not confined inside the city limits. Even if gangbangers aren't already hanging around outside your front door, the enormous costs of violence are coming in through the back—in soaring bills for law enforcement, medical care, education and child welfare.

And if the nation continues on this brutal course, behaving indifferently to the killing of innocents, America will suffer a loss of moral character that would be incalculable but devastating.

Alvin Gilmore and 56 other Chicago-area children last year paid for such indifference with their lives. But we are all paying a terrible price.

Mr. DODD. Madam President, in that first article, the Chicago Tribune details 57 child victims of 1992 in the Chicago area. To read even these brief descriptions of age and circumstances of death is to be rocked on one's foundation at the horror of a society where mothers and fathers murder their own babies, and an 11-year-old girl is raped and stabbed to death while babysitting two blocks from her suburban home.

Clearly, Madam President, we must work so much harder to prevent child abuse and to intervene effectively in high-risk situations. Nearly half of the 57 dead youngsters were killed by relatives or caretakers in the Chicago area; and all but 1 of those 26 children died of physical abuse. More than half of the 57 victims were under the age of 4, Madam President—like the 9-month-old twins killed when they were thrown against a wall of their home in an affluent suburb—not a public housing project, but an affluent suburb. They were thrown against the wall. Their father is charged with those murders.

Nationwide, child abuse fatalities have increased nearly 50 percent since 1986, according to the National Committee for Prevention of Child Abuse. In 1992, 84 percent of those victims were under the age of 5, and 43 percent were under 1 year old.

Recently in the Washington area, there were two such deaths: An infant died of starvation in April, and the child's mother is charged with killing him. In another case, a bruised 2-year-old was reported to Child Protective Services by his babysitter, but despite the parents' admission that the bruises were inflicted as a disciplinary action, the child was returned to his family. Three weeks later, he was dead. His

stepfather is charged with having beaten him to death.

Early intervention can make a big difference in these outcomes. In March, we introduced legislation, the Child and Family Services and Law Enforcement Partnership Act. I am sorry about the length of that title. Sometimes titles can cause one's eyes to glaze over, but that is what the legislation tries to do. The Child and Family Services and Law Enforcement Partnership Act would allow law enforcement officials to work with child mental health professionals so that every child exposed to violence can be referred for immediate assessment and intervention. The model for this legislation is an existing partnership between the Yale Child Study Center in New Haven, CT, and the New Haven Police Department.

In New Haven, the combined efforts of the police, who are developing a community policing approach, and mental health professionals committed to helping the police in this effort, have resulted in an extremely fruitful coalition capable of identifying high-risk children and families and helping them obtain services.

This program is working, Madam President. I think we ought to try and draft legislation around here based on things that are working. This effort is working in New Haven, CT. It is making a difference.

On Monday, I will be attending a conference at Yale focusing on youth violence and community policing. Participants will include the chiefs of police from many major cities around the country, including New York, Washington, Houston, and Atlanta, as well as the "dean of community police," Dr. Lee Brown.

By extending the reach of mental health services and law enforcement, by identifying and referring high-risk children and families early, such a program can potentially relieve our beleaguered child welfare services.

Protective services agencies are simply overwhelmed by the number of child abuse cases and shortage of trained staff. In recent data from 19 States, the national committee found 40 percent of children confirmed by child protective services as abused or neglected received no further intervention. Imagine that. Forty percent of the children who had been confirmed by child protective services, as abused or neglected received no further intervention, representing an 18-percent decline since 1990. Nearly half a million cases of abuse confirmed by protective services received no therapeutic or supportive followup.

In its 1993 report, "The Continuing Child Protection Emergency: A Challenge to the Nation," the U.S. Advisory Board on Child Abuse and Neglect stressed how critical it is in these tight financial times to fund the Child Abuse

Prevention and Treatment Act, which Congress passed last year. The board cited the substantial savings of effective prevention and intervention over the cost of waiting to treat the results—physical injury, disability, death, mental illness and criminal behavior.

The Board called upon legislators of both parties to provide funding for existing programs, at the least, and to increase our legislative efforts to provide innovative strategies for early intervention. When we fail to prevent abuse today, tomorrow we have more violent adults. That is not guesswork. That is a fact. We know that now. Being abused or neglected as a child increases the likelihood of juvenile arrests by 53 percent, adult arrests by 38 percent, and arrests for violent crime by 38 percent. At least 84 percent of prison inmates were abused as children, about half of the men who abuse their wives were abused as children, and two-thirds came from violent childhood homes. That is not guesswork. That is data, hard statistics of what is occurring in this country.

The Tribune article reports multiple deaths caused by street violence, most of them gun related: Some of them were random shootings, and others are gang or drug-involved. The connection between these deaths and those with physical abuse and neglect is clear. As the Advisory Board on Child Abuse and Neglect has concluded: Both represent the "unraveling of the social fabric" of America.

The Tribune article illustrates this connection with alarming clarity, Madam President. A 15-year-old was convicted of involuntary manslaughter in the drowning of her baby girl moments after giving birth in a bathroom—a case that speaks powerfully of the complicated issues surrounding teen pregnancy. Many youngsters simply are not equipped to handle this responsibility, with tragic consequences. Too often, young parents fail to realize how fragile an infant is, so that many infant deaths result from shaken baby syndrome, as it is called.

Such cases are testimony of the need for education of young people in child development and parenting. We must work to make that a part of our school curriculum. But the problems require multiple solutions, Madam President: Early intervention programs like Head Start, conflict resolution and mentoring, drug and alcohol prevention, job training, referral services, gun control laws. The list goes on. We must work with the administration and our colleagues here to be sure that these measures begin now, and to try to build a consensus. Let us get about the business now of trying to frame legislation here that begins to make a difference, not further down the road when our youth—and with them our democracy—are lost forever.

Here at the end of the 20th century, 50 years after the Holocaust, we must remember the lessons of Nuremberg and protest this outrageous waste of young lives, or to paraphrase a famous quote: To sin by silence will surely make cowards of us all.

Madam President, I hope other publishers and broadcasters will follow the Chicago Tribune's lead in taking responsibility for raising public awareness about the murder of America's children. Madam President, I do not like citing these particular cases. Some are rather rough and gruesome, but I know of no other way to get people's attention. Just quoting statistics, as I have done in some of these instances here, does not make the point. I think we have to talk about those specific cases, to try to raise the level of awareness and awaken people in the country to the importance of this issue. It gets worse by the hour. We are losing our kids. We are going to lose our country if we do not put more emphasis and attention on these matters.

I hope, again, that broadcasters and others will follow the Chicago Tribune's lead. I hope in the process, as we go through this legislative effort here this year, we will remind ourselves—regardless of party or partisanship—that we all bear a common responsibility and burden to try to relieve the agony and pain of child abuse and violence that is raging on the streets of America.

Madam President, I yield the floor.

#### IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Madam 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 authorized and appropriated 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 responsibility and duty of Congress to control Federal spending.

Congress has failed miserably for 50 years. The fiscal irresponsibility of Congress has created a Federal debt which stood at \$4,240,752,224,351.55 as of the close of business on Tuesday, May 4. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is \$16,510.04.

#### FIREARM VICTIMS PREVENTION ACT

Mr. MATHEWS. Mr. President, I rise this morning to urge my colleagues to support Senate bill 868, the Firearm Victims Prevention Act, which was in-

troduced Tuesday by our associate from Washington State, Senator PATTY MURRAY. I am proud to be an original cosponsor of this important legislation. In joining Senator MURRAY, I would be remiss if I did not thank her for addressing this problem in our communities and States. The recent catastrophe in Waco, TX, that resulted in so many deaths, including four law enforcement officers, is tragic evidence of what happens when assault weapons are taken up by the wrong hands.

Mr. President, every day in America over 60 people are killed with firearms and many more are wounded. Every day, America's future dims because 14 children die from gunshot wounds. Our streets and schools are becoming militarized zones.

In my own great State of Tennessee, there were 263 people killed by firearms in 1991; hundreds more were wounded. In that same year, there were a reported 5,317 incidents of aggravated assault with a firearm.

My generation may well be the last that can remember a time when streets were free of automatic weapons. Our grandchildren are growing up with the perception that America is an armed camp and they are scared. It is time to take action.

The Firearm Victims Prevention Act will do more than just discourage easy access to assault weapons and guns. It uses the revenue from an increased tax on the sale of firearms and ammunition, and revenue from an increase in Federal license fees, to establish a health care trust fund. The fund will offset the rising public cost of providing medical care to gunshot victims.

The physical scars of gun violence are evident on the bodies of survivors. What is less obvious is the damage that we are doing to our society. We keep alcohol and tobacco out of the hands of children. We should feel determined to do as much with deadly weapons. Kids are killing kids. Students carry guns to school and fatally shoot each other in rising numbers every year. Drive-by shootings have become a regular feature on our nightly news. The trauma centers of our Nation's hospitals are overwhelmed by the numbers of victims with injuries from the high-velocity bullets of automatic weapons, wounds that are compared to those seen on battlefields. The American Medical Association estimates that the cost of treating an injury from an assault weapon can range from \$15,000 to \$20,000, rising to as much as \$150,000 if intensive care is required.

The Firearm Victims Prevention Act will limit access to assault weapons by making them more expensive. More importantly, the bill will generate funds to meet the rising cost of health care for firearm-related injuries.

Mr. President, I encourage my colleagues to support this important legislation. I thank you for the opportunity to speak today.

CARLETON PROF. STEVEN E. SCHIER ON PRESIDENT CLINTON'S BUDGET: "WE ARE ABOUT TO SQUANDER A HISTORIC OPPORTUNITY"

Mr. DURENBERGER. Mr. President, last week marked 100 days since President Clinton assumed office.

I have great regard for the President as a human being and great respect for him as a politician. We have only one President at a time and we must look to him for leadership.

So I continue to be terribly disappointed by the policies he has been pursuing, especially in the economic sphere. The President was elected to bring about change, but he is pushing the same old tax-and-spend policies we might have expected from Lyndon Johnson or Jimmy Carter. And the results, I fear, will be the same: inflation, slow growth, scant—at best—progress in bringing down the deficit, and no progress at all on the debt.

The President simply must reconsider the premise of his economic plan, which relies so heavily on tax increases and only nominally—in the so-called out years—on reducing increases in spending.

In last Thursday's Saint Paul Pioneer Press, Carleton College political science Prof. Steven E. Schier hit the nail on the head by saying that the President has "reneged on any serious attempt at deficit control." He notes that the administration has (a) "adopted optimistic economic assumptions", (b) "achieves its deficit reduction through \* \* \* unspecified savings that they have not been able to identify yet"; (c) "pushes domestic spending over the spending caps passed \* \* \* in 1990"; (d) postpones spending cuts while imposing large increases in taxes and spending up front; and (e) ignores health care reform.

Well, that about sums up the problems I and many others have been pointing out about the administration's plan. I am grateful to Professor Schier for his cogent comments, and I hope that my colleagues on both sides of the aisle will take it to heart.

Mr. President, I ask unanimous consent that the article to which I have been referring be included in the RECORD at this point.

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

[From the St. Paul Pioneer Press, Apr. 29, 1993]

SO FAR, CLINTON JOINING PREDECESSORS IN NEGLECTING NATIONAL DEBT

(By Steven E. Schier)

Future historians will mark April 8, 1993, as a day of infamy in the fiscal history of the United States. For on that day, Bill Clinton, in revealing in detail his budget, reneged on any serious attempt at deficit control.

In so doing, Clinton joined predecessors George Bush and Ronald Reagan as a major contributor to continued large national deficits.

Unless Clinton has a fiscal conversion on the scale of Paul on the road to Damascus, the deficit will continue at unacceptable levels, dimming our nation's future.

By spending more than we raise in taxes during the 1990s, we ensure a monstrous fiscal crisis in 20 years when the baby boomers retire. The taxpayers of 2013 will either have to fork over exorbitant payroll taxes, or Social Security and other mandatory spending programs must be slashed dramatically.

Several specific failings of the Clinton budget point to this conclusion. In four important ways, Clinton is mimicking the worst budget behavior of his predecessors.

First, like Reagan and Bush, Clinton's administration has now adopted optimistic economic assumptions that shrink the size of the deficit like magic.

In his economic address Clinton pledged, unlike his predecessors, to use the figures of the Congressional Budget Office in preparing his forecasts. But, like many of his promises, this one too has fallen. The results are deficit projections that are almost \$50 billion less than those of the more reliable CBO.

The Clinton administration accomplished these phony savings by assuming that the inflation rate, now running toward 5 percent, will average no more than 2.8 percent over the next six years. If this does not occur, and the chances are it won't, the deficit will be closer to CBO projections.

Even by the administration's rosy numbers, the deficit will not be halved in four years, as Clinton promised throughout the campaign.

Second, like Reagan and Bush, the Clinton administration achieves its deficit reduction through \$67 billion in "unspecified savings" that they have not been able to identify yet, but plan to work out with Congress. Reagan and Bush both relied on this fiscal evasion, and when they did not specify savings, the savings often didn't happen. Chances are that will be the result this time.

Clinton's vagueness on this is particularly striking, given that earlier this year he demanded that his opponents come up with specific "dollars and cents" alternatives. He has failed to do the same.

Third, the Clinton budget pushes domestic spending over the spending caps passed by Congress in 1990 and reaffirmed last month. Just as Bush and Reagan preferred low taxes to deficit reduction, Clinton prefers domestic spending to lower deficits. Fiscal irresponsibility comes in many varieties.

Fourth, 80 percent of the spending cuts occur in the last two years of the president's economic program. Clinton wants large increases in taxes and spending up front, with the promise of fiscal control later. Reagan promised large tax cuts first, and spending control later, and we all know what happened.

When Congress passed Gramm-Rudman-Hollings in 1985, it accepted large deficits in the first year and promised real discipline later. The lesson: Later never comes. Clinton should know better.

Finally, the costs of the mammoth health care reform, now contemplated by the administration, are not included in the budget statement. The likelihood is that the reform will initially skyrocket national spending, with any savings from the change occurring only after many years. Placing this burden on top of the tottering deficit of the Clinton budget seems a prescription for fiscal disaster.

Since 1981, Congress has usually been more interested in deficit reduction than the White House. Congress, however, cannot

lead. The record since 1981 indicates that, at best, it can take only modest steps toward budget balance beyond the outline proposed by the president.

Presidential leadership is the absolutely vital ingredient in deficit reduction. Reagan and Bush didn't provide it. And so far, neither has Bill Clinton. We are about to squander a historic opportunity.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. LIEBERMAN). Morning business is closed.

#### LOBBYING DISCLOSURE ACT OF 1993

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 349, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 349) to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Lautenberg amendment No. 347, to express the sense of the Senate that the Senate should limit the acceptance of gifts, meals and travel by Members and staff.

Mr. STEVENS. Mr. President, let me first thank the majority leader for his kindness and for the remarks he made concerning the delay of this bill.

I did return last night with five other Senators from a trip looking into the Bosnia situation and into the problems that we have in Russia, as part of the Senate arms control oversight group.

We did have a very good visit. It was necessary for us to go at a time that we were allowed to enter the countries that we visited.

But I just want to say right now that I am grateful to the Senator from Michigan for his willingness to delay this matter until I could return, and to the majority leader for his comments.

#### AMENDMENT NO. 348

(Purpose: To provide for transitional filing requirements in implementing the disclosure of lobbying activities, and for other purposes)

Mr. STEVENS. 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 Alaska [Mr. STEVENS] proposes an amendment numbered 348.

Mr. STEVENS. 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 19, at the end of line 16, strike out "and".

On page 19, at the end of line 20, insert "and".

On page 19, between lines 20 and 21, insert the following:

(C) are compatible with computer systems developed and maintained by the Secretary of the Senate and the Clerk of the House of Representatives;

On page 20, line 22, strike out "and other means" and insert in lieu thereof "or other transmittal in a form accessible by computer".

On page 21, line 2, strike out "2 working days" and insert in lieu thereof "3 working days".

On page 37, insert between lines 11 and 12 the following new section:

#### SEC. . TRANSITIONAL FILING REQUIREMENT.

(a) SIMULTANEOUS FILING.—Subject to the provisions of subsection (b), each registrant shall transmit simultaneously to the Secretary of the Senate and the Clerk of the House of Representatives an identical copy of each registration and report required to be filed under this Act.

(b) SUNSET PROVISION.—The simultaneous filing requirement under subsection (a) shall be effective until such time as the Director in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, determines that the Office of Lobbying Registration is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 6(b)(11).

(c) IMPLEMENTATION.—The Director, the Secretary of the Senate and the Clerk of the House of Representatives shall take such actions as necessary to ensure that the Office of Lobbying Registration is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 6(b)(11) on the effective date of this Act, or as soon thereafter as reasonably practicable.

Mr. STEVENS. Mr. President, this is an amendment that we call the simultaneous filing amendment. I am really offering it on behalf of the management of the Senate, as a member of the Rules Committee.

One of the provisions of this amendment will require lobbyists to file duplicate copies of their registration and subsequent reports in three locations—the new Office of Lobbying Registration and Public Disclosure, the Office of the Secretary of the Senate, and the Office of the Clerk of the House—until such time as computer communications between those three offices is established.

I appreciate the willingness of the Senator from Michigan to help address this problem. The Clerk of the House and the Secretary of the Senate have received, managed, and made available lobbying registration and reports since 1946. Both Offices have provided prompt availability of information to Members, the public, and the press. In order to continue to do so, they have purchased and have in place a \$1.4 million state-of-the-art imaging technology system which improves our access to that information.

My intent is to continue that until the full organization under the proposal of the Senator from Michigan is in place.

The important intent of the bill that is before us is to provide one-stop shop-

ping for lobbying registration information. I think that is very laudable and it is technologically possible.

However, under the provision of this bill, the new office within the Department of Justice is required to begin receiving filings 1 year after the date of enactment of the bill. The startup organization for this new responsibility will take time and it will take financial resources.

The language requiring simultaneous filings in three locations to me is a reasonable arrangement to allow the Department of Justice to really get up to speed to handle this new responsibility and, at the same time, continue to allow the public, the press, and Members of Congress the information that is already in place, both in the House and in the Senate.

I believe my friend from Michigan has agreed to this amendment. As I say, I am really offering it on behalf of both the Secretary of the Senate and the Clerk of the House.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. President, indeed we do accept this amendment. It is a very useful amendment. It makes a constructive change in this bill.

The reason is that under the bill, before the amendment, lobbying registrations and reports would be filed in a new Office of Lobbying Registration and Public Disclosure. Under the current law, the reports are filed with the Secretary of the Senate and the Clerk of the House, as the Senator from Alaska said.

There are a lot of reasons for giving the responsibility of receiving these reports to a new Office of Lobbying Registration, including the following: Effective enforcement is possible through an executive branch agency; binding guidance and regulations can be issued only by an executive branch agency; and multiple filing points create needless paperwork and confusion.

However, until there is a computer connection, a telecommunications system in place so that the reports that are filed over at the new office can simultaneously be obtained through that communication system by the Secretary of the Senate and the Clerk of the House, we have a disconnect of two very important and critical points for the availability of this information. So the Secretary of the Senate expressed a concern it would take more than a year to get that telecommunications system in place, and asked the reports continue to be filed at his office until such time as computer telecommunications are available.

The amendment of the Senator from Alaska would adopt a multiple filing requirement as an interim step, until such time as the Office of Lobbying Disclosure is able to provide copies of registrations and reports by tele-

communication computer to the Secretary of the Senate and the Clerk of the House.

It is my hope the telecommunications system will be in place at the time the act becomes effective and that multiple filings will not be necessary. However, there is no assurance that this is going to be true, as the Senator from Alaska very properly points out. His amendment would avoid any gap in that communication system in the event it is not in place. It would avoid a gap in the information availability if the computer system is not in place.

It is a useful amendment, and we do accept it.

Mr. STEVENS. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. STEVENS. I yield my time.

Mr. LEVIN. I yield back the remainder of my time.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 348) was agreed to.

Mr. STEVENS. Mr. President, I do have another concern about this bill, that the bill provide a level playing field for various types of lobbyists. At the committee markup of the bill, I asked the Senator from Michigan a series of questions on this issue and I would like to ask those questions again so there will be a clear record of what is intended by the committee and those of us who manage this bill, to be achieved by this bill.

First, let me ask my friend from Michigan, does this bill cover lobbyists for nonprofit corporations like Common Cause, the Friends of the Earth, and the Audubon Society?

Mr. LEVIN. Yes, it does. It covers nonprofit organizations the same as it does everybody else.

Mr. STEVENS. Mr. President, I thank the Senator for that response. I think there should be a level playing field and it should apply to every entity in a fair way.

I am an attorney. We are both attorneys. I would like to talk a moment about lawyers. I am all for having disclosure by lawyers who are paid lobbyists, but what about in-house lawyers, particularly those for nonprofit corporations? Do their activities have to be disclosed also?

Mr. LEVIN. Yes, they do.

Mr. STEVENS. And they will have to register?

Mr. LEVIN. Yes. If they are paid to lobby, they will have to register. If they are paid to lobby, regardless of whether they are with a 501(C)3 organization or anybody else.

Mr. STEVENS. I am talking about a lawyer paid to lobby for a nonprofit corporation.

Mr. LEVIN. Yes. If they are paid to lobby, they have to register under these provisions.

Mr. STEVENS. Let me ask about that in-house lawyer again, the in-house adviser. If a lawyer who is hired by Exxon comes in here to represent his corporation, either that corporation or the lawyer has to register and disclose the lobbying activities; is that correct?

Mr. LEVIN. That is correct.

Mr. STEVENS. Then a lawyer who comes in for the Wilderness Society and is an employee of the Wilderness Society and is hired by them will have to disclose and register in the same manner?

Mr. LEVIN. Correct.

Mr. STEVENS. What about those who are not lawyers? There are many people, a lot of people who are business consultants, advisors, or involved in various other activities for for-profit and nonprofit corporations.

Those people who come to lobby, are they going to be required to register in a similar manner?

Mr. LEVIN. Yes; anyone who is paid to lobby has to register.

Mr. STEVENS. So the Senator's clear intent is that any person, regardless of attorney/client relationship or any other relationship, trustee arrangement—whatever it might be—any person who is paid to lobby will have to register under this act?

Mr. LEVIN. Anyone who meets the test and is paid to lobby must be registered.

Mr. STEVENS. I thank the Senator. Those are the same answers the Senator from Michigan gave in the committee. I am pleased he has taken this forthright position.

Mr. President, I move to reconsider the vote on the amendment.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, if I may make a unanimous consent request here? I ask unanimous consent Senator FEINSTEIN be added as a cosponsor of the bill.

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

Mr. STEVENS. Mr. President, this Senator is a cosponsor of the bill; correct?

The PRESIDING OFFICER. The Chair advises the Senator from Alaska that he is a cosponsor of the bill.

Mr. STEVENS. I thank the Chair.

May I ask my friend from Michigan, are we prepared to go now into the amendment which we do have a little disagreement on?

Mr. LEVIN. Mr. President, I am prepared.

#### AMENDMENT NO. 349

(Purpose: To require the disclosure of the names of persons who provide funding for lobbying activities)

Mr. STEVENS. Mr. President, I want to talk now a little bit about disclosure of the source of funds to lobby. I have

an amendment I want to offer, but it may be during the course of our conversation that the Senator from Michigan and I may want to amend that. I will send the amendment to the desk. I may ask to amend it later.

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 Alaska [Mr. STEVENS] proposes an amendment numbered 349.

Mr. STEVENS. 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 2, line 13 strike "and".

On page 2, line 18 strike the period and insert in lieu thereof ";;".

On page 2, between lines 18 and 19, insert the following new findings:

(4) identification of persons who contribute significant amounts (\$500 or more during a six-month period) to persons or entities that employ lobbyists will further the important public purpose of enabling Federal legislative and executive branch officials and the public to evaluate positions that are advocated by lobbyists in light of the interests of persons or entities that may benefit from acceptance of those positions, without impinging on the first amendment rights of persons or entities who do not support lobbying activities to such a significant extent; and

(5) as required by the Supreme Court in *Buckley v. Valeo*, 424 U.S. 1 (1975), this disclosure requirement is narrowly limited so that the information required has a substantial connection to the governmental interest sought to be advanced and is a reasonable and minimally restrictive method of furthering first amendment values by opening the processes of lobbying activities to public view.

On page 12, strike lines 7 through 14 and insert in lieu thereof the following:

(3) the name, address, occupation, and name and address of the employer of any person or entity, other than the client, that has contributed \$500 or more to the client during the preceding semiannual period;

Mr. STEVENS. Mr. President, the position of those of us who have sponsored this bill is that our Government has the right to require public awareness of efforts by paid lobbyists, and the disclosure of their clients, as they attempt to influence the public decisionmaking process of our Government.

I think this bill does that, and that is clearly the intent, I believe, of the Senator from Michigan.

It is my position that, if responsible government requires that disclosure, then the disclosure of significant contributions to pay for that lobbying is equally necessary.

Further, it is my judgment, as currently drafted, this bill will require the disclosure of the persons or entities who contribute to the lobbying effort, but only those who meet a very strict test. It is a three-pronged test.

To be disclosed under this act, a person or entity would, first, have to contribute more than \$5,000 during a 6-month period; second, would have to significantly participate in supervising or controlling the lobbying activity; and third, have a direct financial interest in the outcome of the lobbying activity.

Again, let me go over those. First, they would have to contribute more than \$5,000 during a 6-month period. That is a significant amount of money. Second, a person would have to significantly participate in supervising or controlling the lobbying activity; in other words, silent partners are not going to be disclosed. And, third, would have to have a direct financial interest in the outcome of the lobbying activity, not a personal interest, not a philosophical interest, but a direct financial interest in the outcome of the lobbying activity.

With due respect to my friend, I think that is too narrow. The language really ends up with a very small disclosure of who the monkeys are in this process. I remember distinctly so many times, in my time in law school, I had a professor who used to always talk about, be sure you know the difference between the monkey and the cat's paw because it is not enough to have the cat be the guilty person; you have to find out who the monkey is. If that cat is going to pull the chestnuts out of the fire, he is running the risk of getting burned, but the person who started the whole process is the monkey who has hold of the paw.

In these circumstances, these monkeys are going to be pretty stealth monkeys because they have to put up more than \$5,000, they have to directly participate in the management of the lobbying, and they must have a financial interest in the outcome of the lobbying.

The amendment I have just sent to the desk would require disclosing the name and address of persons or entities who contribute \$500 or more, who are lobbyist's clients, during any 6-month period. I think it is important that we know where the money comes from. It would be possible to have one corporation just decide that all of its 300 executives would put \$4,500 into a lobbying effort and no one would ever be disclosed. Similarly, you could have any group of people get together and decide no one is going to have to contribute more than \$5,000 to this, and there would be no disclosure at all. With due respect to my friend, \$5,000 is too great.

But beyond that, the real problem is, in my judgment, the motivation behind lobbying comes from the person who finances it. The person who is going to lobby normally would be an attorney or a consultant, a Government expert. We know who they are. Disclosure of them is really no news to anybody, including the press. You can walk down

the hallway to the Finance Committee any time—Senator DOLE calls that Gucci Row—you can see them. You know who is going to be out there lobbying when the tax bill is before the Finance Committee.

But the question is, who pays them? This disclosure is going to be very narrow, and I think it is important for the public. More important, it is important for us as Government officials to know who really is behind this lobbying effort.

I think there is massive money in lobbying campaigns. It involves a lot more than just coming to us. In my judgment, lobbying starts out there where people start trying to manipulate public opinion through enormous expenditures in terms of public relations firms, in terms of hiring people to go talk to State legislators and people in our districts or States. Lobbying today is a very, very complicated process and one that takes a great deal of money.

I, in this amendment, ask the Senate to make two new findings to show the compelling public and governmental need for the information. First, that disclosure will "further the important public purpose of enabling Federal legislative and executive branch officials and the public to evaluate positions that are advocated by lobbyists in light of the interests of the persons or entities that may benefit from acceptance of those positions"; and that, secondly, the "disclosure requirement is narrowly limited so that the information required has a substantial connection to the governmental interest sought to be advanced and is a reasonable and minimally restrictive method of furthering first-amendment values by opening the processes of lobbying activities to public view."

Those are restrictions that I believe are necessary to deal with the problem of the Supreme Court case in *Buckley versus Valeo*, and, I might say parenthetically, Mr. President, I was a member of the conference committee that approved the bill and brought the bill to the Senate. It was ruled unconstitutional in the *Buckley versus Valeo* case. We did not expect that decision and have always regretted that the Supreme Court did not allow us back then to put into effect a way to really try to manage the financing of our campaigns.

But in the course of that decision, the court acknowledged that there are Government interests sufficiently important to outweigh the possibility of infringement on first-amendment rights, particularly when the free functioning of our national institutions is involved.

I can think of no greater free function than the right of a free people to govern themselves. Basically, we are part of that process, and the right of our people to petition Congress is spe-

cifically guaranteed by the Constitution.

There are some people who want to bring into that right to contact and petition the Congress the right to hire someone else to do it and to go one step further and say that you can contribute money in any indirect way to lobby the Congress and not have to be known for that activity. In my judgment, it is one of the most important things we can do, to guarantee that the people of the United States know who is paying for the process of influencing legislation.

In the NAACP versus Alabama Supreme Court case, the Court stated that there must be a relevant correlation or a substantial relation between the Government interests and the information required to be disclosed.

My amendment, I think, is fairly narrow. The requirements of this amendment are not restricted to Americans who contribute. Foreign entities, individuals who contribute \$500 or more in any semiannual reporting period would be disclosed as well. It is part of the public's right to know where the money is coming from in a lobbying effort. I do not care if the Government of Mexico or a Mexican businessman or any other—and I am not picking on any country—any other foreign entity, be it official or private, wants to have a campaign to influence us, for instance, on NAFTA. That is a good example right now. Who is paying for that? It is not who comes in to see us.

I might say, the Senator from Michigan had an amendment adopted in my absence that I am still trying to understand. It is an amendment that deals with the question of disclosure inferentially. It was his amendment No. 344, and it requires that:

Any person who makes a lobbying contact with a covered legislative branch official or a covered executive branch official shall, on the request of the official at the time of the lobbying contact, state whether such person is registered under this act and identify the client on whose behalf the lobbying contact is made.

I think that is a step in the right direction.

It says if we ask somebody who they are lobbying for they will tell us who the client is.

My amendment would go further and really say not only who the client is but where did the money come from.

I think there are probably some problems about what is going to be disclosed in terms of lobbying also, because I think this bill means that the lobbyist here in Washington who pays for the cab to come up to the Hill and maybe expends some money making charts and gets his own salary is going to be disclosed. But I am not sure they are going to disclose the money that was spent in Alaska or California or Michigan or anywhere else in the country in order to whip up public opinion on their side, and really it was part of

the lobbying campaign; where it was started was right out in the grassroots.

I think we have a right to know who is financing these lobbying efforts. I do not care whether it is the Chamber of Commerce or the public citizen organization. The public ought to know who is financing the lobbying efforts on mining law, the American Mining Congress, Sierra Club, or is it contributions to either one, who made the contributions in order to deal with the lobbying efforts on mining legislation.

Now, actually, I want you to know—and I congratulate them—Common Cause already does this. I wonder if the Senator realizes it. Common Cause already discloses all contributors, even those who contribute small sums, and they disclose where their moneys are coming from.

I am informed that my friend from Michigan said in his opening statement on Tuesday, the public does have a right to know the public should know who is being paid how much by whom to lobby on that issue. I agree with that.

I do not think that lobbying is just solely paying the representative who comes here. There is a great deal involved in lobbying. My amendment is to require the disclosure of persons or entities who provide the money that is used by the client to pay the lobbyists and to lobby, to do everything involved in the current very, very complex process of lobbying.

Let me say last, the real problem about the bill even further is I believe we are now in a world economy. I think there are many entities throughout the world that are affected by what the U.S. Government does, both in the executive branch and here in the Congress. I think that we are now going into a new period where there are going to be substantial amounts of contributions made to entities that really are the clients, not the lobbyists. The bill covers the payment from the client to the lobbyist, expenditure by the client in hiring the lobbyist, but it does not cover the contributions to the client from whatever source in order to hire that lobbyist. That is really where I am going. I want to go back and find the monkey. I want to know who it is who is putting the money into the lobbying stream, force that disclosure.

I understand, and I expect my friend from Michigan to disclose, there is substantial controversy; that my amendment has already raised the ire of a whole series of people and entities. I do not blame them in some ways. I am told that we can expect the Chamber of Commerce to be involved. And many of the people involved in activities that are more public-interest oriented are disturbed similarly.

There are a series of people who have complained to my office and said the recordkeeping and paperwork burden alone of the amendment is too great.

God knows, I do not believe in increasing recordkeeping and paperwork for anybody, but if there is a trail out there where the money comes from, I think we ought to know.

There are also some people who believe that it will have a chilling effect upon donors if the amendment would require these nonprofit organizations to disclose.

It does not seem to me Common Cause has shrunk since they voluntarily have gone to the same procedure. I think they are a very effective organization. They have seen fit to disclose 100 percent of the contributions that come into them before they turn around and hire people to lobby for causes that they wish to support.

Mr. President, I hope that we can find a way—and again I am willing to modify the amendment if we can work out something different—I want to find a way to know more about where this money is coming from. My Governor one time wrote a book called "Who Owns America." I think the people who really think they own America are the people who put massive moneys into these lobbying campaigns, and the bill before us will not get to them. It only gets to the people who spend money as clients of those who lobby. It does not get to the people who contribute to those entities that become the clients and are the clients under this bill.

Again, I am particularly concerned that I think the back door to the lobbying process, the money from off shore is not going to be disclosed under this bill at all. I do note there is one provision that covers and brings the Foreign Registration Act requirement also under this bill. But to my knowledge that does not cover the gap that I am talking about. It will not require the disclosure of the contributions of foreign entities, official or otherwise, or individuals who put money into nonprofit or other organizations that in turn turn around and hire lobbyists as the client. That money will never be disclosed under this bill, in my judgment.

I thank the Chair.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan [Mr. LEVIN] is recognized.

Mr. LEVIN. Mr. President, the purpose of this bill is to make public who is being paid to lobby by whom and on what issues. The bill requires disclosure of who pays the paid lobbyists so that we can know that.

What the Stevens amendment would do is then require the party that pays the lobbyists to open up their own contributors lists to the public.

The Stevens amendment would then require the disclosure and filing of voluminous reports by all the charitable organizations, the American Cancer Society, the Heart Association, the Lung Association, the March of Dimes.

Under his amendment all of their contributors of more than \$500 would then have to be disclosed on the theory that they are funding the lobbying activity of those associations.

There is a grave constitutional problem with forcing organizations to disclose their membership. In a free society, associations have the right to maintain the privacy of their members unless there is some compelling public interest for ripping open those membership lists.

Yes, we do want to know who is paying the paid lobbyists. But unless there is some compelling public interest to open up the contributor lists of the client of the person who is paying the lobbyist, we have no right to do so. In fact it would be unconstitutional to do so.

The American Bar Association has gone into this issue at great length. The testimony of the American Bar Association before our committee was presented by Tom Susman who said the following, that his "committee of the bar delved into the constitutional questions about disclosure of membership of organizations and coalitions. On the one hand do we require a civil liberties group or a minority advocacy group to disclose all of their members?"

I am struck by not only constitutional but practical reasons to protect those.

On the other hand you have the example used in the press of a group of businesses that get together to oppose a Civil Rights Act, put a lot of money into it, no one knows who they are and they do not disclose who they are. It seems to me that it is legitimate for Congress to require disclosure of that kind of involvement.

The ABA representative went on to conclude as follows:

I believe that Senate bill 2279—

That is our bill—

does an excellent job of walking that very fine line with three separate criteria, all of which have to be met before disclosure of the members of the organization, and that is the \$5,000 threshold, significant participation in supervision or control and direct financial interest. And we are talking about organizations, not about individuals. It seems to me that these criteria take care of the concerns I had on disclosure, and therefore I am prepared to support it.

That is Tom Susman speaking only on behalf of the American Bar Association.

Our bill walks that fine line to protect the first amendment rights of association, whether that association is the NAACP, the American Cancer Society, or the National Association of Manufacturers, or anybody else. That is a precious first amendment right that has been protected by courts on this issue, on lobbying disclosure issues.

On the other hand, where there is a coalition that is intended to mask in effect who the real client is, where that coalition meets three tests that the

members of the coalition contribute \$5,000, direct the lobbying, and have a financial interest in the outcome, we do require the disclosure of that because that is necessary in order to find out who the client is.

That is the issue. Who is the client? Is the client the 500,000 contributors of \$500 or more to the American Cancer Society? Is that the client? No. It is not. Or whatever the number of the contributors of that amount might be. I made up a number here just to make the point.

Is it the contributors of \$500 or more to the NAACP? Is that the client when the NAACP lobbies up here? No. The client is the NAACP or the Cancer Society or Common Cause.

The Senator from Alaska makes an interesting point, that Common Cause voluntarily discloses all of its contributors. They have a right to do that if they want to. By the way, I might say Common Cause supports our bill. It supports our bill that includes this provision that we have.

But does anyone here, does anyone in this body when they are lobbied by Common Cause, then go back to that membership list which is filed by Common Cause or that list of supporters? Does anyone here truly go to find out the person in Wisconsin, Grand Rapids, MI, or Valdez, AK, who contributes to Common Cause? Do we really go back to these dozens of pages of this organization of people who contribute \$500 to see who lobbied by Common Cause? I do not. I do not think anyone else does.

Multiply these dozens of pages of contributors that are filed voluntarily by this organization, and multiply it by hundreds if not thousands of organizations that have contributors of \$500 or more, and ask yourself, is there any practical value to this requirement? Putting aside the constitutional problem that we would be forcing organizations, the National Association of Manufacturers, the Chamber of Commerce, the NAACP, the Cancer Society, thousands of organizations, that lobby, we would be forcing them to open up their membership and contributor list with grave constitutional impact. In addition to that, what is the practical purpose for doing that?

We have a good example. We have a few organizations that do it voluntarily. I doubt that any of us or our staffs go and look who the Common Cause supporters are, and if so, I wonder what the motivation is. When you have thousands of contributors of \$500 or more to an organization, that we would go through the list to see who those contributors are, with what possible motivation, to find out that some person in one of our home States contributes or not to Common Cause? Does that affect our relation to the lobbying position of the Common Cause or the Cancer Society?

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. LEVIN. Yes.

Mr. STEVENS. This Senator has no desire to have all of the contributions disclosed as he indicated. But we want to know the funds that are contributed for the purpose of lobbying. We want to know. Specifically, one of the goals as I have indicated is the funds that come from offshore.

Mr. LEVIN. The offshore money I would be very happy to get at. If this amendment were limited to offshore money, I would be very happy to attempt to work out something with the Senator from Alaska. I am not sure other Members of this body would, but I sure would if his amendment is limited to offshore money.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. LEVIN. I am happy to.

Mr. STEVENS. The Senator is correct. It is not limited. One of the problems is offshore. If we look at the election laws, it is absolutely unlawful for foreign nationals directly or through any other person to make a contribution of money for the purpose of influencing elections. There is no similar provision in the law that I know of that deals with the use of money directly or indirectly from a foreign national to influence legislation. At the very least we ought to be consistent.

Mr. President, I stated that the Supreme Court has already dealt with the issues that the bar association raised. They raised them in the Buckley case. But the Court said that—

The strict—

Reading from the 1975 decision in the Buckley case—

the strict case established by the NAACP v. Alabama is necessary because compelled disclosure has the potential for substantially infringing the exercise of first amendment right but we have acknowledged that there are Government interests sufficiently important to outweigh the possibility of infringement particularly when the free functioning of our national institutions are involved.

I would be interested to note if the election process is a function that is so important, is not the process of those who are elected equally important? Is not the making of laws equally important to the election process, and should we not have the same information available for those who contribute to a lobbying process as we have for those who contribute to the elections process?

One of the real problems of the election process today is soft money. We are talking about the soft money of lobbying. In my judgment the problem is that there is no way now to know where the large sums of money that come into the process of lobbying come from.

I represent an oil State. Some people say the oil lobby, some people say the labor lobby, some people talk about the doctors lobby, the postal lobby. It does not make much difference what lobby-

ing you are talking about. All this will do is tell you that the AMA puts so much money into paying for lobbyists, or the oil industry puts so much money into paying for lobbyists. But they do not say who contributes to the basic association that did in fact finance the whole activity of trying to influence Government.

I think the Senator and I are not too far apart. I would be more than happy to just deal, if we want to at this time, with the foreign national influence, the way we did at least in connection with the financing of campaigns. But I must rather be broader. I think that the concept of the Senator's bill, again going back to the three tests, is very narrow. Why would we have to have a management function from the person with a great deal of money in order to be disclosed? That one provision of the three tests in the Senators bill that disturbs me most is the management function. The people with great wealth, the people with offshore, are not managing the lobby. They just want a result; either pass the bill or defeat the bill.

They are not managing the process and the provision in this situation that requests management—if I am taking some of the Senator's time, I hope the Chair will charge it to my time. Why can we not do away with that second requirement in the Senator's bill and deal with foreign nationals, at least in connection with the concept in my amendment?

Mr. LEVIN. First, let me say that if we can work out something that deals with foreign nationals in a constitutional way, I am the first one to say let us do it. I think the influence of foreign nationals in this whole lobbying effort around this town is disgraceful. I think the revolving door which assists that operation is disgraceful. I would be happy to try to work something out which can limit that.

Mr. STEVENS. If the Senator will yield, I would be glad to put our staffs together to work on that.

What about the second idea? Why have, in that bill, the necessity that the contributor has to have a management function in order to be disclosed?

Mr. LEVIN. If I can comment on the Senator's arguments. First of all, in terms of Buckley versus Valeo, and then I will get to the point the Senator has made. In the Buckley case, the Supreme Court found that there were three Government interests which would permit and justify the disclosure of campaign contributions: First, it enhanced the voters' knowledge about a candidate's possible allegiance and interests. Second, it deters corruption. Third, the disclosure helps to enforce the contribution limits. None of those exists in our circumstance. We do not have candidates we are talking about. These are not public officials that are receiving money. These are lobbyists receiving it from their clients.

The bill requires that the client be disclosed. The amendment would take that to another level and say we want to know the client's contribution.

The Senator from Alaska talked about do we not want to know who contributes to the American Medical Association? Should we not have that information when the American Medical Association lobbies? My answer is "No." It does not gain us any valuable information to know which doctors in which communities contributed \$500 to the American Medical Association. That is not relevant information to us when we are lobbied by the American Medical Association. We are not going to go through thousands of pages of their contributors, which would have to be filed every 6 months, to find out that some doctor in Seattle, WA, contributed \$550 to the American Medical Association.

What is the relevance of that? How does that help us in our function, or how does that help the public understand? They know the American Medical Association gets money from doctors, from medical interests.

We want to know how much is the AMA spending on lobbying. That is what I want to know. How much money? That is what this bill requires. It is all that the Constitution allows. This issue was defeated in prior efforts on lobby disclosure. This is not the first time this issue came up. This issue has been defeated over and over again when efforts were made to rip open membership lists of organizations in a bill involving lobbying disclosure. Those lobbying disclosure forms foundered on that shoal, and we should not permit this bill to founder on that shoal.

This bill is too important to again be stymied by an effort to rip open the membership and contributor lists of organizations. The information that we get does not provide us sufficient information to overcome the first amendment right of an organization to association and to privacy. That is what the Supreme Court would say, according to the legal advice we have been given.

Buckley versus Valeo. Let me go back because the Senator cited the Buckley case, where campaign contributions have to be disclosed. Why? They are being given to a public official or candidate. That is not true when it comes to a lobby. The lobbyist is not a public official or candidate for office. That is true in Buckley but not here.

Second, and even more important, when it comes to campaign contributions, there are limits on campaign contributions. The only way you can know if the limits have been met is if you disclose how much is being contributed and by whom. Otherwise, you cannot determine whether or not the limit is being complied with. Disclo-

sure is essential to implementing the purpose of the campaign limit law. That is not true here. There is no limit—maybe there should be—but there is no limit on how much you can contribute to organizations. When I say "maybe there should be," I am saying there is a question mark. Obviously, we do not want to limit the contribution to the American Cancer Society, or any other charitable organization, or universities, or whatever.

This amendment would force the contributors list and supporters list for not only the charitable organizations I have mentioned, but all of the colleges and universities around the country, individual hospitals, Children's Hospital in Washington, Mt. Sinai Medical Center in New York. Hospitals would have to open up their contributors' lists and make them public, with no adequate public purpose. It does not give us information which will affect our position or does not give the public, more important, information.

Take a look at this Common Cause list. I repeat that they do voluntarily file. Does anybody in the public go through all of those contributors to see who contributes \$500 to that particular organization? I do not think anybody does. Are we going to require thousands of hospitals, universities, cancer societies to file hundreds of pages of their contributors every 6 months for no public purpose?

Mr. STEVENS. Will the Senator yield?

Mr. LEVIN. I am happy to yield.

Mr. STEVENS. Mr. President, this Senator has no desire to have every contribution disclosed. I have said that. I think the Cancer Society has many things they do that do not require influencing legislation. But when the contributions are made for the purpose of influencing legislation, I think we ought to know it.

Mr. LEVIN. Is the Senator's amendment limited to contributions to organizations for the purpose of influencing legislation? Does it say that?

Mr. STEVENS. That was its intent. I will be glad to modify it.

Mr. LEVIN. How would one determine the purpose of the contribution?

Mr. STEVENS. The Senator's bill already does that; it says that it puts a financial interest in terms of the test.

Mr. President, there are a great many items that come before the Congress that are very, very substantial pieces of legislation on which contributors to lobbying have no financial interest in the outcome. They would not have to be reported at all. The real question is—and also, I think that one portion of the test I have referred to time and again that bothers this Senator the most is that the person or entity to be named must significantly participate in supervising or controlling the lobbying activity.

So if someone from Libya wants to defeat the concept of opening up the

North Slope of Alaska to oil and gas exploration because it would back off foreign imports into this country, it might be that they would have a financial interest, but they are not going to manage that activity.

There are three tests. You have to have more than \$5,000 in 6 months; significantly participate in supervising or controlling the lobbying activity; and have a direct financial interest.

One, I do understand, if we want to limit paperwork; I understand that.

I do not understand two. This Senator, when I read that, then I started thinking about who is the monkey. The monkey is not going to be fooling around with supervising and controlling lobbying activity. He wants the client to do that. They are going to put up the money. They want the results. They are not going to manage the activity.

I urge the Senator to consider modifying that second test of significantly participating, under "Supervising or Controlling Lobbying Activity," and at least consider the approach this Senator suggested for the contributions by foreign nationals.

As I said, the elections campaign law already has, specifically section 44(e), "Contributions by Foreign Nationals." And I think we ought to have a similar concept here.

I do not think those people have the constitutional right the Senator is talking about, sitting offshore, trying to have directly or indirectly an impact on legislation that is going through the Congress or on action proposed by the President or any of the people in our executive branch.

We ought to know about those funds that are coming into this country to try to affect the decisions of our Government. It is a Government of the people, and the people have a right to know when entities from outside of our country are trying to influence our governmental activities.

So again, this Senator is ready to rest my case. I would be more than willing to modify the amendment. But I would specifically like to somehow or other modify that supervision or control of lobbying activity, and at this time just cover the foreign nationals.

I think that is the most abhorrent of all the kinds of soft money in the lobbying process. In time, we will get to this other concept of the large pot of money that is out there that is soft money, money that does have a really significant impact. If you read anyone who talks about this, they are talking about the people who contribute to this process of Government that are not disclosed.

This bill is not going to disclose them. This bill is not going to disclose in any way those who put up vast sums of money unless they meet those three tests. In order to do that, they have to be someone who has a direct financial

interest; they have to be out there controlling the lobbying activity, or at least supervising it. I do not think that is going to get many of the monkeys I am after.

I would urge the Senator to put our staff to work. We could get it done here. I understand we are not going to be able to vote on this for awhile anyway, until this afternoon.

Mr. LEVIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEVIN. How much time does this side have remaining?

The PRESIDING OFFICER. The Senator from Michigan has 40 minutes and 50 seconds remaining. The Senator from Alaska has 35 minutes and 10 seconds remaining.

Mr. LEVIN. Mr. President, I yield myself 5 additional minutes at this time.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, first let me make clear that this bill does in a very significant way—I think my friend from Alaska will agree—finally require that lobbyists who are paid by clients disclose who is paying them, how much they are being paid, and on what issues they are lobbying.

We have been trying to do this for 50 years, and the statutes on the books that were intended to do this are almost complete failures.

This is critical public information that we are seeking. There is a history of failure in this area, starting in 1948, when President Truman had a commission that recommended that the loopholes be closed so that we could finally get disclosure of who is paying lobbyists how much to lobby on what issues. Tens of thousands of lobbyists in this town who are paid to lobby do not disclose who their client is, and how much they are paid to lobby and on what issues. And we are determined that we are going to accomplish that.

What the Senator from Alaska in his amendment says is that in addition to that, we want to know who is providing money to the client, which in turn pays the paid lobbyist to do the lobbying. It is going back that additional step which creates the constitutional problem and which, if overly broad, as the Senator's amendment is, violates the Constitution.

It is that type of broad language in the Senator's amendment which courts have thrown out in many, many States, and I will quote some of those court decisions later. There has to be a public interest before you rip open membership lists and contributor lists of organizations.

We tried to define that public interest so that we could meet the constitutional test, and we have crafted a test which meets the legal constitutional concerns that have been raised. Even

the American Civil Liberties Union, which is opposed generally to opening up membership and contributor lists for any purpose, has indicated that they believe our test will meet the constitutional requirements.

We have finally crafted an approach which has substantial support legally. The American Bar Association, which has been very nervous about a violation of a right of association that is involved when you open up membership and contributor lists, has testified that they feel this three-part test of ours will meet constitutional muster.

Now, it sounds easy, but let me just remind our colleagues that this issue has destroyed previous efforts to reform lobbying disclosure. And if we do it wrong here or if we get gridlocked here on this issue, we are going to see this bipartisan effort to finally close these loopholes in lobbying disclosure again go down the drain.

Why a three-part test? Because you have to identify a significant public interest before you open up contributor and membership lists. You have to prove that the contributor is the real client.

So our bill gets to the client, because our bill says you have to disclose who, who is being paid—that is the paid lobbyist—by whom—that is the client—how much, and on what issues.

We get to the client. The issue in this amendment is the client's contributors: The American Cancer Association, their contributors; the NAM's contributors. That is the issue here.

The test that we have come up with, the three-part test which the ABA says will meet the constitutional requirement, if met, gets to real clients who otherwise are hidden.

And that three-part test is: The amount of money they contribute, \$5,000, in a semiannual period; does the contributor supervise or control the lobbying activity; and are they the direct beneficiary? Do they directly benefit from the activity?

The Senator from Alaska says, well, wait a minute. Strike out one of those three parts, the part about supervise or control. Why do you have to have that test? The answer is, if you do not, you get everybody, you get the whole AMA contributor list.

Doctors have a financial interest in the outcome of AMA's lobby. One of the reasons AMA lobbies is because of the financial interest of the doctors.

So if you do not have some test which talks about supervision or control of the paid lobbyist, you are going to include everybody who meets the contributor test who are or who has a direct financial interest, and that is everybody. That is the reason they support the AMA, or it is one of the main reasons; or any other organization. I am not just singling out any organization, thousands of organizations.

And so, in order to meet the constitutional requirements that there be

a sufficient public purpose before you can rip open people's membership and contributors lists, you have to have a test that gives you a sufficient public purpose, and that test is: Is it the client? Is the purported client of the lobbyist the real client? Or is there a hidden client back there?

If there is a hidden client, somebody who has paid a significant amount of money, someone who has a financial interest in the outcome, and someone who controls or supervises the lobbying activity, then we can go back one additional level and layer and get to the contributor.

But we have to do it carefully because, if we blow it, our efforts are going to go up in smoke here, and, again, instead of finally closing loopholes on lobbying disclosure, we are going to find ourselves either deadlocked here over this issue or thrown out in the courts.

I will now yield the floor, but, in answer to the question of the Senator from Alaska, the reason that we have a three-part test is to determine if, in fact, the client that we do require to be disclosed is not the real client. We can get to the real client, but we have to have some definition of real client. Financial interest and financial contribution is not enough, unless there is some direction or supervision, as clients do, and mere contributors to an organization do not.

I yield the floor.

I yield to the Senator from Maine 5 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, let me say that the Senator from Michigan does, in fact, make the key point that this is the issue upon which lobby reform has failed in the past. This has been the key issue, the disclosure of individual contributors to organizations.

If I might try to go back and reflect personally on my own experience with this particular effort, it seems to me that in the years past there was always a discrepancy between Common Cause and, let us say, Ralph Nader's public interest group. Common Cause has absolutely no objection to disclosing their membership list. As I recall, the Nader public interest group did.

There were questions raised about the Naderites, and the public interest lobbying activities: How do they get their money? Who is contributing? There was a suspicion that perhaps there were a lot of large corporations who were in fact contributing to the very organization that was lobbying against their overall business interests.

On the part of some, forcing disclosure of contributors was seen as a way to dry up that source of funding. If you can identify who the people are who are contributing to the Nader group and they publicly have to be disclosed, they will be embarrassed. Major com-

panies listed as supporting the public interest lobbying activity would be held up to either ridicule, scorn, or perhaps even retaliation by some of their colleagues.

It becomes very easy to subject any individual contributor to retaliation—economic retaliation; physical retaliation, in some cases.

For example, if one believed deeply in the issue of civil rights and wanted to make a significant contribution, let us say, to the Gay Peoples Alliance, is the implication in the minds of some people that they are gay? And what does that mean to their standing in the community?

Maybe it is only an issue that they believe deeply in. But, suddenly, they are associated with the gay rights movement. That can have serious consequences for that individual in his or her social setting, and certainly in the business setting throughout that community.

I can extend it further. Suppose an individual wants to protect civil liberties and supports the ACLU.

Let us suppose you are a contributor to that group and the ACLU takes a very hard position in favor of allowing the Neo-Nazis to march in Michigan or Ohio or Maine. Suddenly your name is listed as a contributor. Maybe you are Jewish and you contribute to the ACLU because you believe in their progressive agenda and their determination to protect civil rights, but suddenly your name is now listed as a contributor of the very group that is defending the Neo-Nazis in Ohio.

It has serious consequences for those individuals. That is why the Constitution is there to protect the identity of individuals who may want to support a particular group, they have the right to gather together and their right to advocate a particular position without fear of retaliation of some kind, be it physical or social or economic.

So there are legitimate reasons why the courts have ruled there should be nondisclosure.

The Senator from Alaska, however, also makes a very valid point. We do not want foreign interests controlling or influencing our electoral process. We do not allow them to contribute to our elections. It is forbidden.

Mr. President, I ask unanimous consent for 2 more minutes.

Mr. LEVIN. I yield as much time as the Senator may need.

Mr. STEVENS. Will the Senator yield for 1 second?

Mr. COHEN. Yes.

Mr. STEVENS. I might say to my friend, I have been called away to participate in another meeting.

I would like to ask, when the Senator finishes his comments, that the amendment be temporarily laid aside so the staff can work on this foreign coverage. I intend to modify my amendment as soon as we can work that out and get

back to it. There are two other matters that will be taken care of. So if we could just set this aside for now.

Mr. COHEN. I thank the Senator. I will be happy to do that.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COHEN. The Senator from Alaska makes a valid point. If we prohibit foreign interests from trying to influence our electoral process, then, there should be some provision against their influencing the lobbying activities which also have a direct bearing on the choices that we are called upon to make.

If, for example, you had Libya or Saudi Arabia or Iraq or Iran contributing substantial amounts of money to an organization which lobbies against allowing the opening up of the Alaska oil fields, we ought to know about that. It ought to be prohibited, frankly, but at least we ought to know about that.

So I believe the Senator from Alaska makes a very valid point in terms of foreign interests and disclosure of their contributions to groups without any fear, at this point, of it being revealed to the American people.

To the extent we can work out some kind of acceptable compromise on that issue, while preserving what the Senator from Michigan has drafted on the general provisions of this bill, I think it would be well served.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, I yield myself as much time as I may use.

We are going to lay aside this amendment. We are open to the other amendments which are set forth in the unanimous-consent agreement. There are two other amendments, noncontroversial amendments, I believe, that I and Senator COHEN jointly offered.

On this last point, though, we will indeed be working hard in the next hour or so on an amendment relative to foreign money. I repeat, I do not know of anyone who feels more strongly against the influence of foreign lobbyists than this Senator. This is a matter of deep feeling on my part. So I am very happy to work on this issue with an amendment of Senator STEVENS, with the support and help of Senator COHEN, to try to craft something which is aimed at offshore money. That is very different from the amendment which Senator STEVENS offered. It is very important. And it does not have the same constitutional protection as contributions from persons in America who contribute to associations and to organizations here.

American citizens have a right of association under the Constitution. Without giving a definitive constitutional opinion, because I am not prepared to do that, as to what the rights are, if any, of foreigners who contribute so

lobbyists can lobby us, they surely do not have the same rights that American citizens have in that regard.

So I am hoping that we can work out something which will at a minimum require disclosure of offshore money as it is part of the payment for lobbying efforts in this city.

With that statement, I yield the floor. I do not think there is anyone here prepared to offer an amendment. We may be, in a moment, prepared to offer our amendments that are non-controversial that are listed in the unanimous-consent agreement.

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. COHEN. 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. COHEN. Mr. President, at this time, I ask unanimous consent that the time reserved for Senator STEVENS on the Lautenberg amendment be yielded back.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LEVIN. Mr. President, was that order entered on this unanimous-consent request?

The PRESIDING OFFICER. The request was agreed to.

#### AMENDMENT NO. 350

(Purpose: To provide clarification of the treatment of certain noncompliances, making technical amendments, and for other purposes)

Mr. LEVIN. 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 Michigan [Mr. LEVIN], for himself and Mr. COHEN, proposes an amendment numbered 350.

Mr. LEVIN. 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 12, line 17, strike out all beginning with "client" through "entity" and insert in lieu thereof "client (if any) of any foreign entity".

On page 22, strike out lines 10 through 14 and insert in lieu thereof the following:

(2) if the person admits that there was a non-compliance and corrects such non-compliance—

(A) in the case of a minor noncompliance, take no further action; or

(B) in the case of a significant noncompliance, treat the matter as a minor noncompliance for the purpose of section 8; or

Mr. LEVIN. Mr. President, the amendment corrects a typographical error on page 12 of the bill and provides different treatment for minor viola-

tions, that are admitted and corrected, as it does for other violations.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 350) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I understand Senator SIMON is on his way to the floor. Just so long as we are clear, there was an hour that was set aside for further debate on the Lautenberg amendment, and since Senator STEVENS did not want to utilize his time that was allocated to him specifically that has now been yielded back, I hope that was doublechecked with Senator LAUTENBERG. We will make sure it was. If there is a problem with that, then we will have to resolve that in some other way. I am quite certain it was cleared with Senator LAUTENBERG.

That means we have two amendments left. In addition to the vote on the Lautenberg amendment, we would have Senator SIMON and Senator GRAMM, in addition to disposition of the Stevens amendment.

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. LEVIN. 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. LEVIN. Mr. President, I ask unanimous consent that Senator LAUTENBERG be recognized at 2 o'clock to discuss his amendment No. 347, and that a vote on the Lautenberg amendment No. 347 occur at 2:15 without any intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LEVIN. 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. SIMON. 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. 351

(Purpose: To require more extensive disclosures on the part of certain government-sponsored enterprises, any guaranty agency, or similar entity as identified by the Attorney General)

Mr. SIMON. Mr. President, I send an amendment to the desk in behalf of

myself, Senator DURENBERGER, and Senator SIMPSON, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself, Mr. DURENBERGER, and Mr. SIMPSON, proposes an amendment numbered 351.

Mr. SIMON. 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:

At the appropriate place in the bill, insert the following:

#### SEC. . GOVERNMENT-SPONSORED ENTERPRISES—REPORT TO CONGRESS.

(a) IN GENERAL.—A government-sponsored enterprise (hereafter in this section referred to as a "GSE") shall submit an annual report to the Congress containing the following information:

(1) A list including the name and address of each contractor, consultant, agent, or employee hired by the GSE to engage in—

(A) grass roots organizing or campaigning;

(B) public relations, media consulting, or image advertising; or

(C) lobbying, including the direct and indirect lobbying of the Congress.

(2) An itemization of all costs associated with activities described in paragraph (1) whether incurred by the GSE or by any of its contractors, consultants, agents, or employees listed pursuant to such paragraph, including entertainment expenses, travel expenses, advertising costs, salaries, billing rates and the total amount billed for services.

(3) A description of any lobbying of the Congress or the executive branch by employees, board members, or officers of the GSE.

(4) A description of any effort by the GSE or its agents to encourage others to lobby the Congress or the executive branch.

(5) A list of all charitable donations paid by the GSE on behalf of Members of Congress or members of the executive branch.

(6) A list of the salaries and other compensation (including the present value of stock options) and benefits paid to the officers and board members of the GSE.

(7) A list of all GSE employees who have been employed by either the Congress or the Federal Government in the 5 years preceding the report, and such employees' salary prior to being hired by the GSE and their current salary.

(b) DEFINITION OF GOVERNMENT-SPONSORED ENTERPRISE.—For the purposes of this section, the term "government-sponsored enterprise" means—

(1) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, and

(2) a guaranty agency, as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j)).

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. Let the record indicate that on this amendment, there is a 1-hour time limit to be equally divided.

Mr. SIMON. Mr. President, I am pleased to say—and I note that your successor Presiding Officer is just walking in, and he will be pleased to note—that we are not going to take an

hour. I am pleased that we have been able to work out some details on this amendment with my distinguished friend from Michigan, as well as our friends on the other side.

(Mr. KERRY assumed the chair.)

This amendment affects Government-sponsored enterprises. It does not limit anything they do; it simply says that Government-sponsored enterprises have to report their lobbying activities to Congress. They do not have, for example, some of the SEC requirements and other things that other businesses have.

I, frankly, got involved in this because of the direct loan proposal. We have as our No. 1 opponents on this the Student Loan Marketing Association, which we created. My friends might be interested in noting—why would the Student Loan Marketing Association be interested? They ought to be out helping students. They ought to be interested in helping taxpayers.

President Clinton's direct loan program is of substantial help to students. When it is fully enacted, there will be hundreds of thousands of students who will be able to be helped, who can go to college and are not going now. Second, it will save the taxpayers huge amounts of money in subsidies that we now give to banks and secondary markets.

Why would an organization like the Student Loan Marketing Association be interested? Well, my friends and my colleague from Michigan and the Presiding Officer may be interested in knowing this. This is the compensation for officers of Sallie Mae, 1991 figures. Here is the CEO: \$2,187,651; not too bad for a Government-sponsored enterprise that uses taxpayers' money. Chief Operating Officer, \$1,741,337. Senior Vice President for Finance, \$826,268. Senior Vice President for Programs, \$735,535. Senior Vice President for Marketing, \$726,987. That is the number five executive. Way over here is the President of the United States; he gets \$200,000 a year—less than one-tenth of what the Chief Executive Officer of Sallie Mae makes.

Do you want to know why the Student Loan Marketing Association is opposed to this thing that is so good for students, so good for taxpayers? It is true that the banks are interested here because they make, on the average, believe it or not, more money on a student loan than on a car loan or a house mortgage. They are a private enterprise. Well, in a sense we created banks, but very indirectly. But they do not have the kind of problems we have here.

What do they do in lobbying? It is very difficult to find out. This is what this amendment says: Let us disclose what they do in lobbying. It is very interesting. You would think that the most important issue facing this Congress this century is direct loans.

Patton, Boggs & Blow represents Nellie Mae—these are all entities that work with Sallie Mae, and these are all my friends. Tommy Boggs, we all like and respect him. But there is no question he has influence. Clohan and Dean, who are good people, represent the Student Loan Funding Corp., of Ohio. Bill Clohan and John Dean both have been friends of mine for many years. Buddy Blakey—what can I say—is a wonderful person. Williams & Jensen. J.D. Williams, who is a friend of many of us; his firm was hired by Sallie Mae. Akin, Gump, Strauss, Hauer & Feld, was retained by the U.S.A. Group. Walker/Free Associates; again U.S.A. Group, they are led by Charis Walker. These are people that have been hired to work on this direct loan thing that is so good for students and for taxpayers.

We are just starting and I do not know that we have named them all, because we have no disclosure requirement.

The Wexler Group was hired by Sallie Mae. Anne Wexler, I have great respect for her. Winston & Strawn. Wiley, Rein & Felding. Cassidy & Associates/Powell-Tate; Jody Powell, our good friend. Good, fine people. Widmeyer Group has been hired by the Coalition for Student Reform on behalf of the guaranty agencies who work with us—the guaranty agencies, some of whom do a good job and some of whom do a terrible job, as the General Accounting Office pointed out, have hired full-time lobbyists at least that we know about.

All this amendment does is say they can hire all these lobbyists and try to defeat the taxpayers and the students, but let us disclose what they are doing. Let us let the public know what the Government-sponsored enterprise is. This applies also to Fannie Mae and Freddie Mac. Frankly, I do not know that there are similar lobbying expenses, but we ought to know. Jim Johnson, who heads Fannie Mae, is one of the finest public servants we have, in my opinion. He is a good public official. But we ought to know what is going on.

They have hired the top lobbyists. Sallie Mae has sent out letters to college officials. You would never guess the bill we have introduced by the way Sallie Mae has described the proposal. If I can find it in my notes here. GAO says schools are going to save money, and the General Accounting Office—if I had a graph and showed you why they will save money, it would be very clear.

Mr. President, I ask unanimous consent to have the two Sallie Mae letters printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STUDENT LOAN  
MARKETING ASSOCIATION,  
Washington, DC, March 31, 1993.

I write again to provide further information on the status of the proposals to convert

the existing guaranteed loan system to direct lending. Recent actions by Congress have increased the possibility that direct lending will be mandated across all post-secondary institutions. This action would override the existing law which provides for a full test of direct lending before any consideration is given to the broad scale replacement of the current guaranteed loan program. It is clear that this change is being driven by the promise of huge federal savings, savings which are in a large measure realized by the transfer of costs and responsibilities from the federal government and the nation's banks to your institution. We believe that your school should have a choice whether it wants to accept the expense and liability associated with a new direct lending program, or whether it wishes to rely on the guaranteed loan program that has reliably served students, parents, and schools for 25 years.

We have completed a survey on the cost to schools of direct lending. Enclosed you will find a summary of findings from detailed analyses of the impact of direct lending on the operations and expenditures of ten post-secondary schools. The schools reviewed range in size from 950 to 16,000 students, and include six four-year public schools, three independent colleges, and one trade school. As a result of our in-depth visits with these schools, it is abundantly clear that direct lending will mean increased costs, additional personnel, and up-front investment—with no promise of any offsetting reimbursement from the federal government. On a per unit basis, we found that costs will increase about \$125 per loan.

To help you assess more completely the impact that direct lending may have on your campus, I would be pleased to put you in touch with a representative from your state guaranty agency, an area lender, or a secondary market who will be familiar with our cost review methodology. Alternatively, I can provide you with a "kit" that will allow you to perform the analysis on your own.

This past December, Sallie Mae began work on an income contingent repayment option for current borrowers. I have enclosed an overview of a proposal we have presented to Secretary Riley and leaders of the House and Senate education committees. We believe that income contingent repayment should be an option for borrowers. The advantage to our proposal is that, in addition to meeting President Clinton's goal of providing borrowers with much-needed assistance in repaying their student loans, it can be implemented now for students who have already borrowed to attend your school. If direct lending is the only path to income contingent repayment, a vast number of borrowers will not be able to take advantage of the benefits of this repayment structure. Our proposal is cost-free to the federal treasury and holds out the prospect of significant cost savings if borrowers who would otherwise default are better able to repay their loans as a small percentage of their income. In light of the default criteria for eligibility for federal aid, I believe the early implementation of income contingent repayment will help a great many schools avoid exceeding the increasingly rigorous cut-off levels.

Since I last wrote, direct lending advocates, together with those seeking large but still highly questionable budget savings, have increased the likelihood that your institution will be swept into the business of high volume lending. For you and your fellow college presidents, the bottom line is choice. If you do not voice your concerns to

your Congressmen and Senators, you may be left with no option but to implement direct lending on your campus, no matter what the associated risks, costs, and burdens. Supporting the pilot direct loan program, as provided in the Higher Education Amendments of 1992, is the only prudent course of action until we know more about direct lending and the government's ability to deliver crucial loan funds to students and parents. I believe it would be a mistake to move to a universal program without first gaining knowledge through the practical experience of a test.

Please do not hesitate to call upon me if I can provide any further information.

Sincerely,

LAWRENCE A. HOUGH,  
President and  
Chief Executive Officer.

#### STUDENT LOAN

MARKETING ASSOCIATION,  
Washington, DC, March 5, 1993.

I write to you today about an important debate currently facing the higher education community—the proposal by the new Administration to replace the established, private sector-based Federal Family Education Loan Program (FFELP) with a student loan program controlled and funded by the federal government with schools responsible for administration.

Sallie Mae obviously has a stake in the outcome of this debate. I am certain that you, too, are concerned about the impact of a federalized lending program on the availability of funds for your students, the flexibility of the aid package you may offer, and the quality of service your students would receive. I ask that you consider the following concerns arising from the debate.

Federally-controlled lending could jeopardize students' access to loan funds. To sustain a direct lending program, the federal government would have to borrow upwards of \$75 billion in the next five years, before accounting for increases in the cost of education. Such growth in the national debt could jeopardize the availability of loan funds to meet all students' needs, particularly in this time of competing priorities and pressures to reduce federal spending. In fact, funding for the government's administrative costs for the new program could even compete with funding for other campus aid programs. Some have suggested that federal student aid programs could become the vehicle for Washington intrusion into the setting of college tuition and related expenses. Clearly, this possibility is heightened by any removal of the bank-based program.

Federal direct lending—can the government handle it? To implement its proposals, the government would have to replicate the present system. The ability of a federal bureaucracy to fulfill such an undertaking has been questioned by a number of your peers and by some in government itself. A recent government study which evaluated the Department of Education's management stated that "the inventory of known problems in the Department's administration of guaranteed student loans raises questions about its ability to adequately manage a direct lending program." This study should send a stern warning signal to all concerned.

Federal direct lending would result in diminished service to students. Under the established program, private-sector entities aggressively compete with each other by making investments in systems, people and training to ensure the delivery of high quality service, flexible repayment options, debt counselling and other services. With the va-

riety of lenders available to serve your students, the financial aid office has the ability to select providers who perform and eliminate those who do not. Under federal direct lending, schools would have no choice in determining their loan servicer. You would be assigned a government contractor to service your students' loans. Under "pay for service" government contracting, there would be no incentive for innovation or service enhancement. It is highly unlikely that Congress—or taxpayers—would be willing to spend additional dollars on service upgrades.

Cost savings to taxpayers are an illusion. Undoubtedly, you have heard proponents of federal direct lending assert that the concept would save taxpayers money. In fact, it would not. A number of private and public sector studies conclude that savings shown for direct lending result from cost transfers from the federal government to schools and states, and from a failure of federal book-keeping to record all costs.

While Sallie Mae, schools and lenders may have different perspectives based on our various roles, we all share a common objective: ensuring that students get the financial aid they need in the most efficient, least costly manner. To be sure, there is room to make the current program easier for students and more efficient for schools, and we are working together towards that goal.

Last year, the U.S. Congress legislated a direct lending pilot which has yet to commence. Congress concluded that major changes to the student loan program should be pre-tested and the results given time to speak. Ultimately, I hope you will conclude that changes to the current system are the more reliable and responsive path.

If you have any questions about federal direct lending—or would like to join in this discussion—please call me at 202-298-2600. A Sallie Mae representative will contact your financial aid administrator to discuss your institution's concern.

Sincerely,

LAWRENCE A. HOUGH,  
President and  
Chief Executive Officer.

Mr. SIMON. Mr. President, it says: "On a per unit basis we have found that costs will increase about \$125 per loan." In fact, the GAO study says costs will go down. Incidentally, the cost to the taxpayers, because we will end up with the IRS collecting, will diminish, not just overnight, but gradually. This year taxpayers are spending \$2.9 billion on student loan defaults.

I could go on in other areas of the letters. The basic question we have to ask is: What is their motives for fighting this? Well, I think it is very clear. They have pretty good salaries. Incidentally, they also have—it is not only these salaries; if you have any friends who want a good job, tell them to get on the board of Sallie Mae; you get \$6,000 a meeting—not too bad—plus other benefits that go with it.

Anyway, what this amendment does is basically say we ought to disclose. It does not stop them from lobbying, does not stop them from doing these other things. But let us get information about the salaries. Let us get information about what they are doing in the way of spending money. We created these entities and, at least in one case,

Sallie Mae has turned into a monster. I am not suggesting that for Fannie Mae or Freddie Mac. We have to do better in our country.

Mr. President, if I may have the attention of the Senator from Michigan, is the amendment agreeable?

Mr. LEVIN. Mr. President, first, let me commend our friend from Illinois on this amendment. He is addressing an issue which needs to be addressed. We have taken on part of this issue before. Personally, when it comes to the salaries of the executives of the entities he is talking about, we finally got an amendment adopted back in June of 1992 which made it clear that the new Federal regulator would exercise the same compensation oversight at Fannie Mae and Freddie Mac that applies to federally insured financial institutions. That oversight would consist of not only prohibiting future compensation abuses and monitoring compensation practices, but also will look at compensation arrangements already in place.

The reason that we did that back in June of 1992 was when the chief executive officer of Fannie Mae left his position and was paid as he was walking out of the door \$20 million plus in compensation—\$20 million plus.

Mr. SIMON. Not too bad.

Mr. LEVIN. Not bad at all.

So we have been very much involved in the salary issue that the Senator raises and would require to be disclosed in his amendment.

The Senator's amendment gets to the lobbying expenses, which is very important, of these entities for the reasons that he states. These are Government sponsored, and we surely should know much more information about them that we are able to require about other entities.

These GSE's are covered by the lobby law. What the Senator is doing, and properly so, is he is requiring that additional information relative to those entities be filed with the Congress.

Mr. SIMON. That is correct.

Mr. LEVIN. I think his amendment, as modified, is right on target.

I congratulate him and his cosponsor for doing it. He is addressing a problem of real concern, and I accept the amendment. I have no objection to it.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LEVIN. I do not think the amendment has yet been cleared on the other side. I will note the absence of a quorum.

Mr. SIMON. If the Senator will suspend the request for action, this is a book about the Government-sponsored enterprises called "A State of Risk," by Thomas H. Stanton. He quotes President Andrew Jackson. Let me read what the book says:

President Andrew Jackson once observed of the Bank of the United States, the grandfather of today's elephant—

That is talking about the Sallie Mae type of thing—

that "if any private citizen or public functionary should interpose to curtail its powers or prevent a renewal of its privileges, it cannot be doubted that he would be made to feel its influence."

There is no question that they have immense power. I am not suggesting that any of their powers be curtailed. I am not suggesting that they have to report to the SEC as other businesses do, though I favor that, frankly.

All I am saying is they better disclose more details than they are now disclosing. I am pleased to have Senator SIMPSON and Senator DURENBERGER on that side of the aisle as co-sponsors of this amendment. I would hope we could get the approval on the other side of the aisle, also.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement of Public Citizen in support of the amendment.

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

PUBLIC CITIZEN,  
Washington, DC, May 6, 1993.

Senator PAUL SIMON,  
U.S. Senate, Senate Dirksen Office Building,  
Washington, DC.

DEAR SENATOR SIMON: We are writing on behalf of Public Citizen in support of your amendment to require extensive disclosure of lobbying conducted by Sallie Mae and other government sponsored enterprises, which we understand you plan to attach to the Lobbying Disclosure Act of 1993.

The need for such disclosure is amply demonstrated by the intense lobbying campaigns against reform of the chaotic, malfunctioning student loan system. Conceived to help students to obtain loans for higher education, the federal government's guaranteed student loan program has become an expensive disaster. Many students still cannot secure the funds they need for an education, and there are high levels of defaults by students who do receive loans but are unable or unwilling to pay them back. At the same time, Sallie Mae, the guarantee institution for the loan program, has grown rich off a program that does not work, by thriving on a diet of middle-man paperwork. In 1992, that amounted to \$394 million for Sallie Mae.

It is not surprising, then, that Sallie Mae has stubbornly resisted all attempts for reform, such as the direct-lending plan that you have been working to establish, which would get rid of the middle layer in student lending and essentially put Sallie Mae out of business. Sallie Mae has hired high priced K Street lobbying and public relations firms to push its agenda and scuttle reform. But the full extent of Sallie Mae's lobbying remains unclear because of the inadequacy of current lobbying disclosure law. Clearly there must be more comprehensive disclosure required of government sponsored enterprises which, after all, owe their existence to taxpayers' backing.

Public Citizen believes that only comprehensive disclosure of lobbying activities can give the public the information needed to see how government policy is formed. With such information, the members of the public are better able to participate in government decision making. When it comes to the debate over the student loan program,

there is no doubt that such information is sorely needed.

Sincerely,

PAMELA GILBERT,  
Director,

NANCY WATZMAN,  
Policy Analyst,  
Public Citizen's Congress Watch.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, we think we are close to getting clearance on that side of the aisle, but we have not quite gotten it yet.

Again, I emphasize what the amendment does. We already cover the lobbyists of the GSE's in our bill. It is the additional information, very appropriately, that would be required to be filed with the Congress under this amendment.

So, I think we not only are entitled to that information but, we would find that information mighty useful in our authorization and appropriations process.

It has been cleared on this side of the aisle, and I hope it will be briefly on the other side but I cannot represent yet that it has been.

Mr. DURENBERGER. Mr. President, I rise today in support of the amendment offered by my distinguished colleague from Illinois, Senator SIMON, to require the disclosure of lobbying expenditures and other information regarding so-called Government-sponsored enterprises.

In supporting this amendment, I want to make it clear that I do not question the right of these enterprises to lobby the Congress, executive branch, or the general public on public policy issues that affect their operations.

But, as Senator SIMON has ably pointed out, these enterprises do have a significant obligation to the public interest because of the circumstances under which they are chartered and, in some cases, funded. And, I strongly believe they should be subjected to at least the same disclosure requirements as strictly private sector lobbying interests.

Like Senator SIMON, my most current and extensive experience with lobbying by Government-sponsored enterprises has included the incredible effort now being waged by Sallie Mae and many State guarantee agencies to defeat and discredit the concept of direct lending.

This effort is being waged not only in Washington, but involves extensive and highly biased communication with the higher education community all across America.

Sallie Mae, in particular, is spending thousands of dollars producing and distributing misleading or inaccurate information in its attempt to build opposition to direct lending among college presidents, financial aid officers, and others with important stakes in the student financial aid system. I've experi-

enced this grassroots lobbying campaign in my own State and I'm sure others in this Chamber have seen its effects in their own States, as well.

Again, Mr. President, I don't want anyone to conclude that I question the role and contributions of Government-sponsored enterprises or their right to lobby the Congress or executive branch.

I do believe they have a special obligation to be held accountable for their actions, however.

And I believe the amendment offered by my distinguished colleague, Senator SIMON, is a very reasonable way to institutionalize that accountability as part of this larger—and much needed—reform.

I intend to vote to support the Simon amendment, Mr. President, and I urge my colleagues to support the amendment, as well.

Thank you, Mr. President. I yield the floor.

Mr. President, I understand the Simon amendment has now been cleared on the Republican side.

I know of nobody else who wishes to debate the Simon amendment.

I yield back the remainder of my time.

Is there time on the other side?

The PRESIDING OFFICER. Time is controlled by the Senator from Michigan and the Senator from Illinois.

Mr. LEVIN. I yield back the remainder of my time.

Mr. SIMON. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 351) was agreed to.

Mr. SIMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMON. 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. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, so I might proceed for no longer than 15 minutes as if in morning business.

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

#### THE CREDIT CRUNCH AND SMALL BUSINESSES

Mr. D'AMATO. Mr. President, I would predict that there is not a single Member of this body that is not aware of—and concerned about—the credit crunch.

We all know that economic recovery and job growth depends on our Nation's small businesses.

Small businesses employ half the country's workforce and contribute 40 percent to the Nation's GNP. Between 1980 and 1987, while the Fortune 500 companies eliminated 3.1 million jobs, small businesses created 17 million new jobs. Between 1981 and 1986 small businesses with less than 20 employees created 88 percent of new jobs.

But small businesses cannot get credit, and that is why we have the problem of so few new jobs being created.

Alan Greenspan testified that:

We still have a credit crunch, and I think that it is a major reason why small business has not been able to expand as much as in the past. It is a major reason why employment growth, which is largely a small business phenomenon, has been so tepid.

President Clinton is also worried about the credit crunch. On March 10 he announced a major regulatory initiative to encourage banks to make loans to small businesses. I applauded the President's efforts to ease the credit crunch. But the bottom line is that banks cannot lend money that they do not have. If the Federal Government takes money away from the banks through higher fees, they will not have the money to lend to small businesses.

Mr. President, despite almost universal concern about the credit crunch, the conference report on the budget resolution would instruct the Banking Committee to impose about \$1.4 billion in new fees on State-chartered banks that will only exacerbate the credit crunch. This provision does not just reduce available credit by \$1.4 billion. Banks can lend \$12.50 for every dollar of capital they have. Therefore, these new fees mean the credit available to small businesses will be reduced by more than \$17 billion.

Let us go over it again so people can understand it. If you charge the State-chartered banks \$1.4 billion, in new fees, you will be denying an already credit-starved economy of \$17 billion in new loans. It does not make sense.

These new fees are supposed to pay for examination of State-chartered banks but these banks already pay for Federal examinations.

All banks, including State-chartered banks, pay the FDIC almost \$5.6 billion a year in deposit insurance premiums. Yet, the FDIC's cost of examining State-chartered banks in 1992 amounted to a mere 2.5 percent of the premiums collected from these institutions. It makes no sense to make these banks pay even more to the FDIC.

Similarly, the Federal Reserve System spends approximately \$65 million a year in examining State-chartered banks. But depository institutions forego annual earnings of approximately \$1.6 billion on sterile reserves deposited with the Fed on which the Fed pays no interest—producing quite

a windfall for the Fed. Why do we need to provide another windfall for the Fed at the expense of the banking system and ultimately the credit-starved small businessman?

Although the Federal Government is more than adequately compensated for the cost of supervision, virtually all of the Nation's 8,284 State-chartered institutions will be robbed of funds that otherwise could be available for loans to stimulate the economy and to create jobs. We hear about creating jobs and here is a measure that will deprive us of the opportunity to help create thousands of jobs. It makes no sense.

While the impact on these institutions will vary from State to State, according to the Conference of State Bank Supervisors, fees will dramatically increase for many banks. For example, while fees for a bank in Oklahoma with \$20 million in assets will triple, a multibillion dollar bank in New York will watch its fees increase tenfold.

Overall, the new examination fees will more than double the estimated \$200 million a year that these institutions currently pay their States for examinations and supervision.

While State-chartered banks may ostensibly pay these fees, the credit crunch is going to get worse and it is the economy and working middle-class families that will suffer.

Mr. President, imposing additional fees on the banking system for the sake of deficit reduction clearly works at cross-purposes with our efforts to eliminate the credit crunch in order to stimulate the economy and create jobs.

Imposing new fees on State-chartered banks is not only wrong but it cannot be scored as deficit reduction under the Budget Enforcement Act.

Congress excluded from the Budget Enforcement Act, the tens of billions of dollars spent by the RTC and the FDIC on paying Federal deposit insurance claims.

In other words, money that the RTC and the Federal Deposit Insurance Corporation spends and money that the RTC and the FDIC takes in are excluded from the pay-as-you-go requirements.

Since passage of the Budget Enforcement Act the CBO has not scored proposals affecting deposit insurance that do not change the nature and amount of insurance coverage.

Indeed, when CBO issued its list of deficit reduction options, it discussed the proposal to impose examination fees on State-chartered banks but concluded that the savings from this proposal, "would not be counted in meeting the requirements of the Budget Enforcement Act."

The CBO reached the same conclusion when we authorized increasing examination fees in the 1991 banking bill.

Mr. President, I was pleased to learn today that our colleagues in the House

understand the impact that raising fees on banks would have on exacerbating the credit crunch. They have found an alternative way of meeting the deficit reduction target. I want to commend the House of Representatives and their action.

I intend to vigorously oppose the provision raising fees on State-chartered banks and will urge my colleagues in the Senate to take the better approach adopted by the House by finding alternative methods to reduce the deficit.

Mr. President, we can reduce the deficit. We can find additional sources of revenue or spending cuts to do that. But let us do it in a way that does not exacerbate the credit crunch.

In addition, Mr. President, I regret to report to my colleagues that it has not been several weeks since I introduced the Small Business Loan Securitization and Secondary Market Enhancement Act of 1993 (S. 384). This legislation would increase the credit available to small business by removing certain regulatory restrictions that now impede the securitization of small business loans by banks. If we want to get money into a credit-starved economy, then we shall allow banks to sell their small business loans the same way they securitize and sell residential mortgages. In this way, banks can originate more loans because they securitize and sell these loans rather than keep them on their books.

We see the same thing being done with auto loans. Banks also securitize credit loans. My gosh, why shouldn't we also facilitate the securitization of small business loans? This is an important way we can place banks in a position to make these loans available to credit-starved and creditworthy small businesses.

To date, the administration has moved at a snail-like pace in terms of responding to this legislation that has 37 cosponsors, including a majority of the members of the Banking Committee.

If we want to get the economy going, then we should give creditworthy small businesses the opportunity to borrow. That is how we can move it. We do not need more Government make-work programs. We do not need more spending by the bureaucrats. Let the free capital market system work by removing some of those impediments to its operation. Indeed, I believe we can do that by giving banks the authority to do what they have done so well with residential mortgages and consumer debt: Securitization loans.

Mr. President, I intend to continue to raise this issue on a regular basis because it seems to me we have an opportunity to make a very real difference in moving this economy and creating real jobs. Tens and tens of billions of dollars can be freed up by simply removing some of these impediments to securitization and seeing to it that

there are proper safeguards to ensure the soundness and safety of the banks.

I have indicated to the Treasury Department and to the Federal Reserve Board that the bill can be amended to ensure the necessary safety and soundness protections are in place.

Unless we move in this fashion, I think we are going to continue to see credit that is desperately needed by the economy being denied to the small business community. I have heard too many examples were small businesses that are making money, that are sound, are being denied credit. If that is happening to the soundest of our small businesses, imagine what is happening to the marginal businesses. There is no credit available to them, and that is why we are not creating enough new jobs.

Mr. President, I yield the floor.

#### LOBBYING DISCLOSURE ACT OF 1993

The Senate continued with the consideration of the bill.

##### UNANIMOUS-CONSENT AGREEMENT

Mr. LEVIN. Mr. President, I ask unanimous consent that after the Senator from Washington is recognized to proceed as in morning business for up to 3 minutes, that the Senate then stand in recess until 1:45. And before the Chair rules on that, I also ask unanimous consent that the Gramm amendment be stricken from the list of amendments that are pending. As I understand it, that is not going to be offered. That has been cleared on the other side. That would leave remaining only the Stevens amendment and a possible modification thereto.

We would then, under a previous unanimous-consent agreement, return to Senator LAUTENBERG at 2 o'clock and vote on his amendment at 2:15.

Mr. SPECTER. Reserving the right to object, I wonder if the distinguished manager, following the comments by the Senator from Washington, will allocate this Senator 5 minutes of morning business.

Mr. LEVIN. I modify my unanimous-consent request to include 5 minutes for the distinguished Senator from Pennsylvania.

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

Mr. SPECTER. I thank my colleague.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are in morning business.

#### FOREST RESOURCES CONSERVATION AND SHORTAGE RELIEF ACT

Mrs. MURRAY. Mr. President, 2 days ago, the Ninth Circuit Court of Appeals

ruled that certain provisions of the Forest Resources Conservation and Shortage Relief Act of 1990 were unconstitutional. I want to express my deep concerns about the implications of this ruling, both for the forest products industry in the Pacific Northwest, and the current efforts underway by the administration to resolve forest management issues facing our region.

This law accomplished some very important things. At a time when uncertainty has pervaded the forest products industry, when jobs have been lost and families are suffering, this law has provided one of the few bright spots. It laid down strong restrictions on the export of unprocessed timber from State lands throughout the West. It has been particularly important to Washington, where millions of board feet of timber from State lands were flowing over the docks to other Pacific rim countries before its enactment.

It ensured that independent forest products manufacturers had access to an additional source of logs in the face of a shrinking harvest. It kept mills open and people at work. Most importantly, it has kept one of our most valuable natural resources here at home.

Enacting this law was no small feat. It reflected a strong bipartisan consensus between members of the Washington and Oregon congressional delegations. It passed through four different committees in the other body. It could not have happened without the participation of officials of the Bush administration.

It did not make everyone happy, Mr. President, but it did function as intended.

Now the courts have overturned this effort. Mr. President, in the midst of an enormous effort within Congress and the Clinton administration to resolve the difficult forest management issues dividing people in the Northwest, I can assure you this is the last thing anyone expected to deal with.

I wish to announce today my intent to sponsor remedial legislation to address the points raised by the courts and make this important law whole again. It is my hope that the consensus that led to enactment of the law is still in place. Upon initial consultation at the staff level between members of the Washington delegation, I believe it still is.

I look forward to working with my colleagues on this issue, and I hope we can dispense with the issue in an expeditious fashion.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

#### HEALTH CARE LEGISLATION

Mr. SPECTER. Mr. President, I have sought recognition to call attention to an important article in the Wall Street

Journal today which is headlined "Clinton to Delay Health Proposal Until Mid-June." Subhead: "Change Reflects a Desire To Not Pile Too Much on the Legislative Plate."

The best summary, Mr. President, is simply to read the first few sentences:

Washington. President Clinton plans to delay release of his health plan until mid-June, administration officials said.

The postponement marks a shift from last week, when Mr. Clinton signaled he still planned to announce the plan this month. But under pressure from Democratic leaders of Congress, Mr. Clinton has agreed not to add the health care package to his already crowded agenda until after his budget gains some momentum on Capitol Hill, officials said.

Mr. President, this announcement is in line with a whole series of announcements which this Senator chronologed last week when I offered an amendment to bring health care to the Senate floor, admittedly not in the best of circumstances, on the Environmental Protection Act. But I believe that we are looking at a very difficult situation where it is becoming increasingly likely that nothing is going to happen this year, in accordance with announcements made earlier, as I specified in the RECORD last week, by Chairman ROSTENKOWSKI and by Majority Leader GEPHARDT and others.

We have had recent indications that the task force, chaired by the First Lady, Mrs. Hillary Clinton, is still expected to meet a target of May. This Senator had originally understood that target to be May 1 and then to be May 3, and now it is sometime in May. But beyond the meeting of the target with the task force filing a report, the follow-up question is whether legislation would be introduced, whether it would be introduced in May. The answer is ambiguous. That is up to the President.

It was at least my thinking that a major benefit from having First Lady Hillary Clinton in charge of the task force was to eliminate any gap between the thinking of the task force and its chairperson, contrasted with the thinking of the President. And that, too, is now in doubt.

It has been my view from the onset, Mr. President, that the best approach would have been to have had the President's package on the floor the day we began the 103d Congress. On January 21, the first legislative day of the Senate, this Senator took the floor, complimented President Clinton on his inaugural speech, and expressed the wish that the President had been more specific about two subjects: Health care and an economic recovery. I have said with some frequency, including March 23, when this Senator introduced a second bill, Senate bill 631, which was a composite of bills from a number of Senators, that action would have to be taken and very, very promptly.

Earlier today, I had occasion to talk to Gov. Carroll Campbell of South

Carolina about the status of health care legislation. Governor Campbell expressed the view that we really ought to be moving forward by putting something on the floor and moving ahead with legislation. I am convinced that the only way we will get legislation in this field is when we bring a critical mass to the floor, start to analyze it, start to debate it, start to amend it, and start to vote on it.

But certainly it is not good news, Mr. President, that current reports show a delay in Mrs. Clinton's task force filing a report until mid-June; and when you have health care legislation coming up to this body in mid-June, given the schedule of July and August, with appropriations bills in September, it does not look good for health care reform.

I urge the President, and all those associated with the health care legislation issue, including the chairpersons of the relative committees in this body, to move ahead at an early date with hearings.

I ask unanimous consent that the full text of this article of the Wall Street Journal be printed in the CONGRESSIONAL RECORD.

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

[From the Wall Street Journal, May 6, 1993]

CLINTON TO DELAY HEALTH PROPOSAL UNTIL MID-JUNE; CHANGE REFLECTS A DESIRE TO NOT PILE TOO MUCH ON THE LEGISLATIVE PLATE

(By Hilary Stout and Michael K. Frisby)

WASHINGTON.—President Clinton plans to delay release of his health plan until mid-June, administration officials said.

The postponement marks a shift from last week, when Mr. Clinton signaled he still planned to announce the plan this month. But under pressure from Democratic leaders in Congress, Mr. Clinton has agreed not to add the health care package to his already crowded agenda until after his budget gains some momentum on Capitol Hill, officials said. Also, they said, the White House staff needs more time to gear up to sell the sweeping health proposal to the public and Capitol Hill.

The revised schedule puts the announcement of Mr. Clinton's plan to extend health coverage to all Americans and curb medical costs until after the House debate this month on the tax bill. However, the timing still poses an awkward situation for lawmakers.

The Senate Finance Committee is expected to be wrestling with the tax legislation in mid-June, and House leaders had urged the administration to focus first on the deficit reduction plan and bring out the health package when the decks are clear in late July. Ways and Means Committee Chairman Dan Rostenkowski has been among the most outspoken proponents of delay. The Chicago Democrat has support from Speaker Thomas Foley.

"I warned them [the White House] that we're going to have trouble with things piled one on top of the other," said Mr. Rostenkowski. "That's why he [Mr. Clinton] gets in trouble."

Talk of delaying the health plan came as Mr. Clinton was forced to scale back his pro-

posal to have the government distribute free vaccines for all children under two years old. Fearing another legislative defeat after Senate Republicans succeeded in killing his economic stimulus package last month, the president, with urging from congressional Democrats, agreed to limit the free vaccine program to children who are on Medicaid or who don't have health insurance coverage for immunizations.

The vaccine proposal, unveiled last month, came under attack from Republican lawmakers and pharmaceutical companies. They argued that it is unnecessary and would be too costly for the government to supply free vaccines to children whose parents can afford to pay for them. The revised legislation probably would cost the government half as much as the original bill, supporters said.

But drug companies, still fearing their profits would suffer, criticized even the scaled back legislation. The bill "remains too expensive, and we think it will do little, if anything, to improve the immunization rate," said Pamela Adkins, a spokeswoman for Merck & Co.

The delay of the health plan and the scaling back of the immunization proposal contributed to a growing image of disarray at the White House. On Tuesday, Mr. Clinton himself said his presidency needed a sharper focus and pledged to reorganize his staff. As part of the White House restructuring effort, Roy Neel, the chief of staff for Vice President Albert Gore, is expected to be named a deputy chief of staff. The goal is to bring more coordination and discipline to the staff. Others remain under consideration for the job, though.

By most accounts, Mr. Clinton has picked up warnings from Budget Director Leon Panetta and congressional Democrats, who say the health plan is doomed to fail unless the president's staff becomes better organized and he focuses his message rather than trying to do too much at one time.

Mr. Clinton now appears to be addressing the problem. The delay in the health plan, which originally was to be unveiled May 3, then postponed to May 17, then to sometime around May 25 and now to mid-June, wasn't prompted because the White House needs more time to finish the plan, according to aides. Rather, they said, the White House realizes that the White House political, legislative, government relations and communications shops need more time to build support for the legislation.

Much of the shuffling being discussed at the White House is aimed at improving the administration's ability to rally support from its allies in state and local governments, as well as interest groups. Rahm Emanuel, the political director, probably will play a larger role.

Senate supporters of the president's health-care effort say they see the revised timetable for releasing the plan as a victory because it shows that the president isn't listening to his economic advisers and conservatives, who want the plan pushed all the way back to September. That almost certainly would assure that it couldn't be enacted this year.

The president and Hillary Rodham Clinton, who heads the White House health care task force, still insist that a comprehensive health-reform bill must be enacted this year. Speaking to reporters after a White House luncheon with Mr. and Mrs. Clinton, Senate Majority Leader George Mitchell (D., Maine) said, "It is imperative that we try" to pass health legislation this year.

Mr. SPECTER. Mr. President, I guess the sequence of the Senate schedule

has already been comprehended in Senator LEVIN's request.

RECESS UNTIL 1:45 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 1:45 p.m.

Thereupon, at 12:59 p.m., the Senate recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DORGAN].

LOBBYING DISCLOSURE ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan [Mr. LEVIN].

Mr. MITCHELL. Mr. President, we are still trying to work out the Stevens amendment. We have not yet reached a point where we can say that we have resolved the problem.

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

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

The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

AMENDMENT NO. 347

Mr. LAUTENBERG. Mr. President, I want to talk briefly about a sense-of-the-Senate resolution that I have proposed that has significant support.

I ask unanimous consent that Senator BOXER be added to the list of co-sponsors.

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

Mr. LAUTENBERG. Mr. President, yesterday we approved an amendment that would force lobbyists to disclose the gifts they give to lawmakers. It was a good amendment. I supported it. It was accepted by both sides.

But, Mr. President, I know that even the author of that amendment, the distinguished Senator from Minnesota [Mr. WELLSTONE] agrees with me that it does not go far enough. I think few Americans would disagree. It does not go far enough.

We need to do something more. That is what this amendment does. It says that, as soon as possible during this year's session, the Senate should limit the acceptance of gifts, meals, and travel in a manner substantially similar to the restrictions placed on executive branch officials.

Mr. President, most Americans know that you do not get something for nothing.

If most ordinary Americans were working in their office and out of the blue comes a stranger bearing gifts, walks in and offers them a free ticket to Bermuda with lodging at an expensive, luxury resort, top-flight nightly entertainment, and free food, we know how they would react. They are smart. They would be more than a little suspicious.

That is the kind of offer being made, and in many cases accepted, each day here on Capitol Hill. Lobbyists and others with interests before the Congress are showering Members and staff with tickets, trips, fine wines, expensive ornaments, clocks, and all manner of gifts large and small. Unfortunately, that beautiful little clock placed on the desk is ticking away more than time. It in some way may be ticking away some integrity, some point of view, because you do not get something for nothing. Secretaries in the office know it, construction workers know it, small business owners know it.

Mr. President, when I was in the corporate world, we were very specific to personnel in my company, and I saw it in other companies as well: You do not get gifts from outsiders. The purchasing department was absolutely forbidden at peril of job loss from taking gifts from those who supplied the company with material. Our attorneys knew very well that if anybody executed a lease they could not have favorable treatment and thus were prohibited from taking any kind of gifts because the gifts were not intended just to be from good fellows.

It is about time Members of the Congress faced facts. These gifts are not given out of the goodness of lobbyist's hearts. They are given to buy influence, access, and good will. In the process, though, these gifts undermine the good will between the American people and their elected officials.

The culture of money, perks, and privileges that permeates this town is undermining Americans' confidence in their Government.

This amendment, Mr. President, will take a major step toward changing the perception among so many Americans that Congress is up for sale.

I hope we will not go around congratulating ourselves for requiring disclosure of gifts or even passing this amendment here today. The real solution is to ban most gifts altogether. And when I say most, we are talking about something that is de minimis. Perhaps coffee and a few doughnuts, something like that, OK. But we want to ban gifts that have any significance in terms of swaying one's point of view. That is something we need to do as soon as possible this year.

Mr. President, I ask unanimous consent I have 2 more minutes before the vote is called.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from New Jersey is recognized for 2 additional minutes.

Mr. LAUTENBERG. Mr. President, there will be some cynics who look at a nonbinding resolution and see an excuse for inaction rather than a call for action. To those cynics, let me say this. If Senators vote on the record in support of the concept of banning gifts, it is going to be awfully tough to change their mind when presented with actual legislation.

And I want to give those cynics an assurance: I will be back.

The American people are going to demand that we get this done. We will get it done. There is no reason why Members of Congress need to accept expensive gifts, meals, and luxury trips. It looks like a conflict of interest, plain and simple.

I hope, Mr. President, my colleagues will join me in voting for this amendment and in seeing that we get this job done now.

I believe, Mr. President, we have asked for the yeas and nays.

The PRESIDING OFFICER. The Chair would advise the Senator from New Jersey the yeas and nays have been ordered.

Under the previous order, the hour for the vote has arrived. The question is on agreeing to the amendment of the Senator from New Jersey. 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 Alabama [Mr. HEFLIN] is necessarily absent.

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—98

Akaka	Faircloth	McCain
Baucus	Feingold	McConnell
Bennett	Feinstein	Metzenbaum
Biden	Ford	Mikulski
Bingaman	Glenn	Mitchell
Bond	Gorton	Moseley-Braun
Boren	Graham	Moynihan
Boxer	Gramm	Murkowski
Bradley	Grassley	Murray
Breaux	Gregg	Nickles
Brown	Harkin	Nunn
Bryan	Hatch	Packwood
Bumpers	Hatfield	Pell
Burns	Helms	Pressler
Byrd	Hollings	Pryor
Campbell	Inouye	Reid
Chafee	Jeffords	Riegle
Coats	Johnston	Robb
Cochran	Kassebaum	Rockefeller
Cohen	Kempthorne	Roth
Conrad	Kennedy	Sarbanes
Coverdell	Kerrey	Sasser
Craig	Kerry	Shelby
D'Amato	Kohl	Simon
Danforth	Krueger	Simpson
Daschle	Lautenberg	Smith
DeConcini	Leahy	Specter
Dodd	Levin	Stevens
Dole	Lieberman	Thurmond
Domenici	Lott	Warner
Dorgan	Lugar	Wellstone
Durenberger	Mack	Wofford
Exon	Mathews	

NAYS—1

Wallop

NOT VOTING—1

Heflin

So the amendment (No. 347) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FEINGOLD). The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. 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. STEVENS. Mr. President, it is with a sense of a great deal of frustration that I do what I am about ready to do, because I feel very strongly that this bill, in order to be meaningful, has to have a series of provisions that will deal with the intrusion of foreign money into the lobbying process that now has great impact both on the executive and the legislative branches of our Government.

But, in the time that we have had available here—and I do confess that I have been out of the country for 2 days that the bill has been on the floor, and we have been trying since my return to work out a way to deal with it—it is just not possible.

I am convinced that my friends from Michigan and Maine, the managers of the bill, do want to work toward the goal, at least, as far as the foreign contributions are concerned.

I still make the point that there is a substantial amount of money, soft money, in the lobbying process, just like there is in the political process. Until we find a way to deal with soft money in both processes, we are not going to have the public knowledge that we should have of the extent of the impact of not just financing the outcome of our elections, but on the outcome of our official Government actions.

So it is with reluctance that I ask to withdraw that amendment and to substitute the amendment that I would like to send to the desk.

AMENDMENT NO. 349, AS MODIFIED

The PRESIDING OFFICER. The Senator, under agreement, has a right to modify his amendment, and the amendment is so modified.

Mr. STEVENS. Rather than withdraw it, I will just modify the amendment.

May I have it read, please?

The PRESIDING OFFICER. The clerk will report the amendment, as modified.

The assistant legislative clerk read as follows:

On page 6, line 1, after "a person," add "whose principal place of residence is".

At the appropriate place in the bill, add the follow new section:

**SEC. . DISCLOSURE OF FOREIGN CONTRIBUTIONS.**

It is the sense of the Senate that the conferees on this bill should seek to draft and add to this bill a constitutionally acceptable provision requiring additional disclosure of the contributions of foreign entities to the lobbying activities of registrants, as defined in this bill.

Mr. STEVENS. Mr. President, this has been worked out by the staff of the committee and my staff. It is, I take it, a statement of intent to work toward the goals that I have been trying to enunciate here on the floor today.

As I said, it is with reluctance, but I do believe that it does represent an awareness of the problem that we are dealing with. And since I expect to be a conferee on the bill, we will try to pursue it. I know my friends here made a similar commitment to try to pursue this concept, and it would be, I think, a real attempt to try to define and deal with the extent of the intrusion of foreign money, soft money, into the lobbying process.

I am grateful to my friends for trying to work this out with me. But, under the circumstances we face today, I think this is the best alternative we can proceed with right now.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank the Senator from Alaska.

We will work very hard on this in the conference. We have the same goal, which is to try to disclose the source of offshore money that gets involved in the process. And I have a passionate belief that we ought to do that, so I will be working very hard in conference to accomplish that.

I know of no other amendments that are in order. I know of no one else who wishes to speak.

Mr. President, has the Stevens amendment been adopted?

Mr. STEVENS. It has not.

I would like to have it adopted. Then I understand we are going to vote on the bill.

Does the Senator from Maine wish to make a comment?

Mr. COHEN. Mr. President, let me just thank the Senator from Alaska for his willingness to redraft or modify the amendment to reflect the complexities involved.

Senator LEVIN and I are committed to trying to achieve, in a constitutional fashion, the objective of the Senator from Alaska.

Mr. STEVENS. I thank the Senator.

I ask for the adoption of this amendment.

I yield back the remainder of my time.

Mr. LEVIN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 349), as modified, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, lobbyists occupy a unique position today: They belong to the one profession less popular with the American people than "Member of Congress."

Just mentioning the word lobbyist elicits the stereotype of the cigar-chomping peddler of special-interest influence. And, yes, sometimes this stereotype is not too off the mark.

But, Mr. President, the fact is that Americans have a constitutional right to petition their Government. Lobbyists can—and many do—serve as surrogates for the millions of Americans who can not make the trek to Washington themselves to express their views directly with their elected representatives.

In their roles as surrogates, lobbyists can provide information, help hone arguments, and, yes, press their case with Congress.

No doubt about it, there are some bad apples in the lobbyist profession, as there are in every profession.

But I suspect that most Americans, after a few moments of reflection, would not support an outright ban on lobbying. Instead, they want lobbying activity regulated, disclosed, out in the open for all to see. And that is exactly what the lobbying disclosure act seeks to do—make the lobbyists and the lobbying accountable to the people through full public disclosure.

Mr. President, 2 years ago, I proposed the so-called front-page test, requiring Federal agencies to disclose any written or oral communications they may have received from Members of Congress on enforcement matters and agency contracts. It was my view then, and it's my view today, that these communications are appropriate, but we should be prepared to read about them on the front page of the local newspaper: If you do not want to read the headline, then do not make the phone call or write the letter.

Full public disclosure has a way of promoting accountability and good behavior. As Louis Brandeis once said, "The sunlight of disclosure is the best of disinfectants."

**SINGLE UNIFORM STATUTE**

Mr. President, there is currently on the books a jungle of different, and sometimes conflicting, laws and regulations governing lobbying.

There is the Federal regulation of lobbying act, the Foreign Agents Reg-

istration Act, the so-called Byrd amendment, named after my distinguished colleague from West Virginia, and the lobbying provisions of the HUD Reform Act. There are also separate statutes regulating those who seek to lobby the Federal Energy Regulatory Commission and the Federal Maritime Commission.

This maze of regulation invites confusion, and ultimately, noncompliance. The more complex the law, the less likely people will comply with it.

To simplify the disclosure process, the Lobbying Disclosure Act replaces the current maze of overlapping regulations with a single, uniform statute.

**CLOSING THE LOOPHOLES**

Not only will this statute streamline the disclosure requirements, making compliance easier, it will also plug the gaping loopholes that make the current system hardly a system at all.

The Federal Regulation of Lobbying Act, for example, applies only to the lobbying of legislative branch officials, not to lobbying of executive branch officials. In addition, it has been interpreted to cover only efforts to lobby Members of Congress directly, not efforts to lobby congressional staff.

The Foreign Agents Registration Act exempts attorneys who represent foreigners before Federal agencies. The scope of this exemption is subject to many different interpretations.

These loopholes invite the cynicism of the American people, who suspect that Congress is up for sale to the highest bidder.

The Lobbying Disclosure Act would plug the loopholes by covering nearly all paid, professional lobbyists. It would require the registration of all lobbying organizations that spend more than \$1,000 on lobbying activities during any 6-month period. It would cover those who lobby not only Members of Congress, but also congressional staff. And, most importantly, it would make no distinction between the legislative and executive branches, requiring the registration of all those who lobby members of the executive and the independent agencies.

**EFFECTIVE ENFORCEMENT**

Mr. President, perhaps the biggest reason why the existing lobbying laws have rarely been enforced is that they rely exclusively on criminal sanctions. Since many of the violations of the laws are technical in nature, prosecutors are unwilling to bring enforcement actions and juries are unwilling to convict. And this makes sense: in most instances, technical mistakes do not merit a criminal prosecution.

To make enforcement more effective, the Lobbying Disclosure Act would rely exclusively on civil penalties. The authority to assess a penalty would rest with the Director of the Office of Lobbying Registration, a new division in the Justice Department created by this bill. The Director will have the au-

thority to determine the amount of the penalty depending on the severity of the violation.

This new approach should encourage compliance and make enforcement a reality.

Finally, Mr. President, I want to congratulate my distinguished colleagues—Senators COHEN, LEVIN, ROTH, and STEVENS—for putting this bill together and for advancing it through the Senate. Their hard work has moved Congress a few steps closer to regaining the respect of the American people.

Mr. LEVIN addressed the Chair. The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. LEVIN. Mr. President, I ask unanimous consent that Senator BINGAMAN be added as a cosponsor.

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

Mr. LEVIN. Mr. President, I understand from the majority leader that the desire is that we vote on this at 4:15.

Mr. President, while Senator STEVENS is on the floor, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered. Mr. DURENBERGER. Mr. President, I rise today in support of S. 349, the Lobbying Disclosure Act of 1993.

In 1984 I took a serious interest in the issue of lobby disclosure. At that time, I chaired the Subcommittee on Intergovernmental Relations in the Government Affairs Committee and convened hearings on establishing a uniform policy regarding the use of Federal funds by Federal contractors and grantees for lobbying activities. These hearings were based on the good Government principle that Federal moneys should not be used to represent special interest claims on more public resources.

In 1985, I introduced the Integrity in Lobbying Act. This bill would have improved the management of existing disclosure law and would have encouraged lobbyists to provide more and better information through a self-regulating system of lobby disclosure. At this time I was concerned about the public perception that most legislation was conceived and promoted behind closed doors in smoke-filled rooms led by special interest lobbyists, or at three-martini luncheons entertaining lawmakers and their staffs.

There have been many reforms in the legislative process in the past 10 years. Rarely are committee markups closed. Rules for acceptance of gifts have been tightened. Financial disclosures of officeholders and their staffs provide information regarding travel and expenses paid by lobbyists. There has been more disclosure of lobbying activities. We have been moving in the right direction to ensure that legislation is a more open process.

My 1985 bill had many of the same goals as S. 349. It sought disclosure of all costs of lobbying from all kinds of lobbyists. At the time I thought that, consistent with the new spirit of reform, lobbyists would step forward voluntarily to disclose their activities. They would do that, because it would be respectable to do so voluntarily rather than to be forced to do so. Disclosure has improved since that time, but there have been some gaps, and disclosure laws have generally not provided the kind of information sought by the public.

Now, I would agree that there is a need for a tougher bill to require uniform reporting of lobbying activities. In my judgment, disclosure of lobbying activities will help us understand the level of interest group activity. Some interest groups are able to stand out more than others. If part of the reason for that is the assistance of significant lobbying efforts, disclosure can help us level the playing field.

Special interests are not bad. They are our heritage. The problem is not influence—influence is part of life in America. But we need disclosure so we can judge influence fairly and count people equally.

I believe that my efforts in the mid-eighties laid the groundwork for the reforms we are considering today. This bill, S. 349, creates one uniform statute that requires registration and disclosure of aggregate expenses by all paid, professional lobbyists that attempt to influence either the legislative or executive branch. S. 349 also creates a lobbying registration office within the Justice Department that will enforce compliance with the law.

Some have criticized S. 349 because they feel it does not go far enough—they believe that lobbying organizations should be required to disclose itemized expenditures, particularly to see the kind of gifts that are going to Members and staff. An amendment was adopted to incorporate that kind of disclosure.

Others want names of specific contacts revealed. S. 349 currently requires disclosure of aggregate figures—the total amount a lobbying organization spends for each client and a listing of committees contacted rather than names of individuals contacted. The amended bill will require disclosure of certain gifts to specific officials and their staffs.

Throughout my years in the Senate, I have worked to promote confidence in the political process by addressing concerns that the public has expressed about lobbying activities. I am gratified that the Congress is finally considering serious lobbying reform. While the bill may not be perfect, it does represent significant progress. I strongly support S. 349 and commend my colleagues on the Committee on Governmental Affairs for their good work on this issue.

Put what we do here today in the larger context of political process reform. In the last 20 years we have been consumed with reforming how we got here—and now, what happens when we do.

I thought it might inform my colleagues—and the reformists—to report a little talk I made in this city on June 6, 1984. I ask unanimous consent that a copy be printed as though delivered.

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

ADDRESS OF SENATOR DAVE DURENBERGER  
THE WOMEN IN GOVERNMENT RELATIONS ORGANIZATION IN WASHINGTON, DC, JUNE 6, 1984

I am going to speak this noon as though you are all a bunch of lobbyists. I hope no one takes offense. But I assume that most of you are in the business, as they say.

I am sure that I was invited to talk with you about lobby disclosure and the use of federal funds to lobby. I have introduced legislation to modify the 1946 lobbying act, held hearings on that bill and have also been involved in the continuing controversy over A-122. And I will talk about lobby disclosure a little bit later.

But let's see if we can answer another question first. It is, I think, far more important to the future of lobbying and your role in the policy-making process. The question: Are you . . . you in this room . . . you, the representatives of the special interests in America . . . are you responsible for the \$200 billion deficits that stretch out as far as the eye can see?

Conventional wisdom thinks so. The American public thinks that the whole deficit problem is represented right here at this lunch. Half the problem is behind the podium, me and my 534 colleagues who lack the discipline to make the tough decisions on taxes and spending. And the other half is on your side of the podium, you organized interests defending every spending program and tax break to the last ounce of your ability so that the budget cannot be brought into balance.

And I agree with conventional wisdom. We . . . me and you . . . are the problem. Bob Dole makes the case better than I. His favorite example this year . . . and I don't mean to pick on one group . . . is real estate, the realtors and their representatives. The national association made deficit reduction their number one legislative priority this year so that interest rates might fall low enough to create a market for housing.

The realtors did a big grassroots deficit reduction campaign, but in the middle of the budget process found themselves fighting from the other side to beat a proposal that would change the depreciation lives for commercial property. Who has the upper hand at this point is hard to say. But it is the 1984 version of dividend and interest withholding, to be sure. The Chairman of the Finance Committee is fond of pointing out that while banks do pay a very small tax on their profits, federal revenues would actually increase by some \$7 billion if we took the perverse step of exempting all real estate income from taxation. Taxing real estate income actually costs us \$7 billion a year.

Consider how we got all these programs that we are reluctant to cut. They came in the first instance from our view of ourselves as a nation and as citizens. We are a country of doers. When we see a problem—in health

care or education or environmental protection—we think of it as an opportunity to do something. We don't sit back and let someone else worry about it. We don't turn it over to a bureaucracy or an aristocracy or even to the Congress. We go out and invent a solution for ourselves. We organize some association of persons—a nonprofit or a charity or a trade association—a group of others who also think it is a problem, and we work together to find a solution.

If that solution works, it catches on. People in other communities in other parts of the country try to follow the example. They often turn to local or state government to get the effort underway. Pretty soon you have the problem under attack in various parts of the nation. But America is one great community. If the problem is solved at home, we also want it solved down the block, in the next town, and down in Mississippi. We judge our nation and we judge ourselves that way.

And then a Congressman or a Senator will catch on to the idea and will go out to Washington and advocate that the whole nation have this solution. Quite often the whole nation doesn't even have the problem. So there's not much interest initially. But the problem get redefined some. We attack the main issue and several issues that are closely related. Soon there is a caucus or coalition of members who have a stake in the solution. And when the problem gets defined broadly enough—enough Congressional districts are cut in on the solution—you get a majority. Then you get a bill passed and a program underway.

A bureaucracy is built to implement the program and an interest group grows up around it. They develop a stake in seeing it continue. Even if the program is successful—even if it completely eradicates the original problem—the interest groups will hang on because the program is their reason for being. In good times you add a little bit, you sweeten the pot. But you can't ever cut back because the first rule of government in this world of interests is never do any direct harm.

That's how we got 1,100 programs of domestic assistance, a tax code which is mostly loopholes and a public that doesn't want anything changed. We start with a problem. We apply our definition of good citizen. We form an association. Mix in a politician or two acting as an entrepreneur for the idea. And we end up with a jillion iron triangles driving a \$200 billion wedge between spending and revenues.

Americans have always been that way. The first federal program to benefit the few was a road built very near here in the early 1800s. Americans have always organized groups and associations to promote their interests. And they have always petitioned government for programs that serve those interests. And for our whole history, Congress has been responsive. The men and women who serve in Congress today are not less inclined toward the public interest or more inclined toward the special interest. We have no less spine than the stalwarts of the 19th century. I would like to think that integrity has reached an all time high. We work harder at our jobs. We are better informed. We are more experienced in other facets of life.

So why do we have \$200 billion deficits? Why is Bob Dole telling the American public that you are part of the problem?

There is a new element which has greatly changed the balance between the demands of the public organized as special interests and the willingness of the government to respond

with spending programs or tax breaks. It is an institutional change. A sea change in American politics. It is the decline of the political party and the rise of the interest group.

There are many, many reasons for the decline of the party. But a couple are especially important in understanding the rise of the interest group. One is reform...reform both of the electoral process and of the policy-making process in the Congress. And the second is technology...the technology of political campaigns and elections.

Reform. There are two great themes which distinguish our government from so many others in the world today. For the political scientist, they are the very essence of democracy. The two principles upon which our government is founded are popular sovereignty and political equality. Popular sovereignty means that the government is responsive to the views of the people. The people are sovereign. And political equality. In the balance, every citizen counts for the same. One person, one vote.

This is the age of popular sovereignty. The political system has been made responsive—one might even say extremely sensitive—to the will of the people by making it completely open to the people. No more backroom deals for us. No brokered conventions. No bourbon and branch water at four in the afternoon for our leaders. They're more likely to be found on the floor fighting some freshman's amendment.

In the legislature where parties—and the lobbies—were born, we have greatly diminished the authority of the leadership, proliferated the number of subcommittees and staff and focused the spotlight—and in the case of the House, the TV camera—on every detail of the legislative process. There was a time, I understand, when Finance Committee markups were closed. Imagine doing your business under those conditions. Truly primitive.

But these legislative reforms have separated me from my party. Because of them I am much more the legislative entrepreneur much less the subsidiary of a larger corporate endeavor. I chair three subcommittees. Each is a little platform from which I can launch my own legislative initiatives. Each staffed by professionals. Each followed closely by colleagues of yours who sometimes perform what might be called staff functions.

The reforms have also brought me much closer to my constituents. I mumble something in markup at 11 in the morning about the mortgage interest deduction, and by 1 in the afternoon I'm talking to the president of the Minnesota homebuilders on the watts line.

The other reforms... reforms of the nomination and electoral process... have allowed the candidate to go directly to the voter. In fact, I got elected in 1978 because my opponent, Bob Short, was able to ignore the sentiments of the convention in his party and gained nomination through a primary. The party doesn't even have control of its name on the ballot in many states. In places where the caucus and convention are still used, things are often decided by proportional representation to ensure that the party broker will no longer be boss.

We have opened government and politics in the name of the people, and in the process made the candidate sovereign over the party. King caucus is truly dead.

Along with reforms came a technological revolution in campaigns. Public opinion polling. Thirty second shots on TV and radio. Di-

rect mail. All very expensive. And so were begat the PACs. Max out and give me your mailing list, and I am smart enough to figure out the rest for myself. Or so the readers of the Wall Street Journal were told.

Campaign law and campaign technology have made my party just another PAC. The national Republican Party could not by law contribute more than five percent of the total cost of my 1982 campaign. Party precinct workers can push doorbells up and down the block identifying other Republicans, but give me the membership list of an interest group and I can push hot buttons all over the state by remote control.

Computer tape has replaced shoe leather as the most important hardware in a campaign. Parties, which had a near monopoly on the labor intensive shoe leather technology, have been replaced by the adman and the mailman delivering high-tech products designed by candidates and tailored for narrow and multiple audiences. And, you, the interest groups, with your dollars and your demands make it all possible.

So what has all this to do with lobby disclosure and a \$200 billion deficit? I am for lobby disclosure. In fact, I consider myself a very strong advocate of disclosure. Now that might surprise you, if the only thing you read was my bill amending the 1946 act. The bill repeals the enforcement of registration and reporting requirements in that act. But I think you should disclose everything. Direct lobbying. Indirect lobbying. Grassroots lobbying. Lobbying by coalition.

The enforcement requirements in the 1946 act are actually a hindrance to forcing disclosure. Under the 1954 Supreme Court decision in *Harris*, disclosure cannot be enforced because the court found the criminal sanctions unconstitutional. So my bill repeals the criminal penalties and shifts the responsibility for administering the act from the Justice Department to the Secretary of the Senate and the Clerk of the House. With new authority, the Secretary and Clerk can implement the original intent of the Act, and seek disclosure, not just of the costs of face-to-face lobbying of members but all the costs of lobbying including grassroots campaigns and lobbying congressional staff. And they could seek disclosure from a much larger number of those who lobby.

I say that the Secretary and Clerk will seek disclosure rather than require it, because my legislation counts on your desire for respectability, rather than a burdensome and unconstitutional regulation, to make information on your lobbying activities public. A recent survey of your profession showed that 88 percent of Washington-based lobbying organizations thought that respectability was their most valuable asset. By making complete and full disclosure a part of the definition of a respected lobbyist and seeking rather than enforcing, I expect that a whole lot more information on your activities will come to public attention. Ignore a polite letter from the Secretary of the Senate asking how much you spent this year, or to defeat that bill, and you will soon find yourself less than respected on the Hill. At least, that's my theory and considering performance under the current law, I think it's worth a try.

Why do I care so much about disclosure. It has nothing to do with dirty linen. I am not interested in knowing who made it to the tennis ranch this winter or how.

A moment ago, I mentioned the two great principles of American democracy—popular sovereignty and political equality. I said this is the age of sovereignty and tried to show

what it has done to our political system. What I didn't say is that sovereignty and equality are not always compatible principles. We have made the people sovereign, but people are blessed with very different abilities to get their interests heard in a competitive system like our own. Some are well-educated. Some are not. Some work the day long. Others have leisure time to dabble in politics and write letters to their representatives. Judging by my mail the fastest growing sport in America. Some are well-organized and highly motivated. Others are not. Some are rich. Most are not.

As a member of the legislative branch, as the focal point for more pressure than I ever imagined possible, I need disclosure so that I can serve the second principle of democracy—so that I can do my best to count people equally. I need to see the large contours of interest and to understand the geography of pressure politics that make some interests appear much more prominent than others. In a system where sovereignty is the only value, everybody is a tree. But our system also expects me to know the forest and to do that I need to know the resources that you employ to get results. That's why I need lobby disclosure.

The deficit. Don't blame me for the deficit. I have a plan to balance the budget. The problem is that there are 536 plans to balance the budget and no two are alike, as we are proving by devoting a day to each on the floor of the Senate. And there is no longer an instrument that can force consensus.

There was a time when a Republican was necessarily an abolitionist. And another time when a Democrat was necessarily a New Dealer. Visions and missions for the nation put forward by political parties and shared by a majority of Americans. But the role of the party in shaping those visions has been lost and there is no institution at the top of the pyramid of interests, that can make it stick in the name of the grand interest—the public interest.

Do you think it would be possible for either party to adopt a detailed platform on how to balance the budget? Where to cut spending and raise revenues—line-by-line and loophole-by-loophole. It would be denounced in all of its specifics the very next morning. And first and most loudly by the elected officials of that party, trying to separate themselves from the planks not popular in their districts. And all the subcommittee chairmen would trot out and complain about the cuts in programs under their jurisdiction. And all of your trade journals would dutifully report that despite the fact that the party dropped off the cliff we can count on so-and-so to be our champion.

Over the last decade Congress has attempted four major domestic reforms. The budget process is one. It lies in shambles. The second was regulatory reform. All but dead. The third is sometimes called New Federalism. Every President since Eisenhower has attempted it. The Reagan New Federalism was perhaps the boldest stroke, but it never was stroked on Capitol Hill. The fourth is tax reform. We brought down the rates in ERTA. But can we finish the job by broadening the base? TEFRA 2 is half the size of TEFRA 1, and 1 already has some pretty big holes in it.

The reforms deal with the heart of government. Taxing. Spending. Regulating. Who does what in a federal system? None successful. Which did you work hardest to stop? Who was your champion and what subcommittee does he or she chair?

These reforms are needed because the American people have come to see the fed-

eral government as the government, not as our government. It is no longer the faithful servant of our common interest to be trusted with our shared ideals. And there is no instrument within our reach that we can take hold of and turn the problem around. At times in our history the political party has served that function. It needs to again.

And I think it will. This is the heyday of the interest group. But I think it will pass and pass quickly. I sense a new concern for the political party and its role. I think it will lead to new reforms in campaign financing, in the nomination process, in the regulation of campaign technology. I expect reforms in the rules of the Congress. It may not lessen your role in the policy-making process. But it will certainly shift your focus. Because one of these days—as hard as it is to imagine, especially in my case—one of these days I'm going to be held accountable by my party. And I'm going to look to its platform as a discipline.

The plain fact is that we, as a nation, are more divided than ever before—divided into a thousand interests. The evidence is a \$200 billion gap between spending and revenues that threatens to impoverish our children. And we will do as we have always done. We will build the solution from the bottom up. We will take it to be our problem as citizens and we will look for an instrument to achieve a solution. That instrument exists. It has always served and served us best in the most difficult times. It is the political party. It is the lobby of the grandest interest—our shared interests as citizens—and only by bringing it back will be end the chaos of continuing deficits.

So interests are not bad. They are our heritage. The problem is not influence. Being interested and expressing it is the heart of our democracy. We need disclosure so that we can judge influence fairly and count people equally. And we need to restore the political parties so that our grand interest . . . our common interest . . . will once again be represented effectively in the legislature.

Thank you.

Mr. SMITH. Mr. President, consider the following hypothetical: it is the mid-1950's. The NAACP—still sufficiently unpopular that many of its contributors and members insist on remaining anonymous—is using grass roots activism in the South to back up its push for civil rights legislation. In a landmark ruling the NAACP successfully resists an effort by the State of Alabama to force disclosure of its membership list. But what would have happened if S. 349 had been in effect at the time? Clearly, either the bill is unconstitutional under that decision, NAACP versus Alabama, or else S. 349 represents a startling new manner of acquiring some of the same information that Alabama sought unsuccessfully to obtain—at least with respect to the big-money contributors who were influential in the organization.

Consider another hypothetical: assume you are an official in the Catholic Church in 1993, trying to figure out how broad your disclosure must be as a result of the massive recent lobbying effort in opposition to the so-called Freedom of Choice Act. How much did it cost? And how do you apportion costs? Any mistake you make could result in

the Director of the Office of Lobbying Registration fining you \$100,000 per noncompliance, even if you did not intentionally violate the statute.

Mr. President, I will vote against S. 349 for four reasons:

First, the constitutional right to petition the Government for redress of grievances is too important, and the chilling effect of this bill on the practice of that right is too great.

Second, the terms and definitions of this bill are far too vague, and it sets no discernable standard by which organizations can run their affairs.

Third, the sorts of information that the bill requires from ordinary citizens simply exercising their constitutional rights is far too intrusive.

And, fourth, the Office of the Director of Lobbying Registration—a man given a blank check to waltz through some of the most politically sensitive terrain of our political system—should be filled, if at all, by a nonpartisan person or commission—not a political person accountable to the party in power.

Mrs. MURRAY. Mr. President, the importance of the Lobbying Disclosure Act of 1993 is that for the first time we will have a single, efficient, and fair law for disclosure and accounting by all individuals who lobby the executive and legislative branches of our Government. Existing laws are a patchwork of different and sometimes conflicting requirements. They are confusing, and are riddled with loopholes on disclosure. They create mountains of useless bureaucratic paperwork, and they suffer from a lack of proper enforcement. Existing laws have failed on at least two counts. They have not assured full public accountability of the factors that influence Government action, nor have they served to hold public officials accountable for their actions.

A single, uniform lobbying disclosure law will create efficiency simply by replacing the three existing laws. It will consolidate filing into a single form and a single location. It will replace quarterly reports with semiannual reports, and it will require that all information is maintained in a form that is always accessible to the Federal Election Commission.

Furthermore, it establishes a new Office of Lobbying Registration within the Justice Department. As a result, we will finally be able to enforce the law, including strict new criminal penalties for those who do not comply with it.

Most importantly to me, the new law will be fair. It will cover all people who lobby the executive branch, congressional Members and/or congressional staffers. It applies to everyone; attorneys and nonattorneys, in-house lobbyists and outside lobbyists. Furthermore, it is fair in that it distinguishes between people who lobby as professionals and people who lobby on an inconsistent, incidental basis. This will

assure that individuals who are employed full-time in other pursuits but who travel to Washington, DC, once a year for a week on minimum expense on behalf of a particular issue will not be treated in the same manner as those who are professional lobbyists. This provision is especially important to certain individuals and groups in my State of Washington.

The new law will streamline lobbying disclosure and the enforcement of the laws by replacing today's convoluted requirements with simple, well defined boundaries. For the first time, we will have a coherent law that provides the public with a true picture of the role lobbying plays in the formulation of public policy. Ultimately, it reforms lobbying disclosure laws in a fair and equitable manner. I urge my colleagues to support the legislation.

Mr. DOLE. Mr. President, lobbyists occupy a unique position today; they belong to the one profession less popular with the American people than Members of Congress.

Just mentioning the word "lobbyist" elicits the stereotype of the cigar-chomping peddler of special-interest influence. And, yes, sometimes this stereotype isn't too off the mark.

But, Mr. President, the fact is that Americans have a constitutional right to petition their Government. Lobbyists can—and many do—serve as surrogates for the millions of Americans who cannot make the trek to Washington themselves to express their views directly with their elected representatives.

In their role as surrogate, lobbyists can provide information, help hone arguments, and, yes, press their case with Congress.

No doubt about it, there are some bad apples in the lobbyist profession, as there are in every profession.

But I suspect that most Americans, after a few moments of reflection, would not support an outright ban on lobbying. Instead, they want lobbying activity regulated, disclosed, out in the open for all to see. And that is exactly what the lobbying disclosure act seeks to do—make the lobbyists and the lobbying accountable to the people through full public disclosure.

Mr. President, 2 years ago, I proposed the so-called front-page test, requiring Federal agencies to disclose any written or oral communications they may have received from Members of Congress on enforcement matters and agency contracts. It was my view then, and it's my view today, that these communications are appropriate, but we should be prepared to read about them on the front page of the local newspaper: If you don't want to read the headline, then do not make the phone call or write the letter.

Full public disclosure has a way of promoting accountability and good behavior. As Louis Brandeis once said,

"The sunlight of disclosure is the best of disinfectants."

#### SINGLE UNIFORM STATUTE

Mr. President, there is currently on the books a jungle of different, and sometimes conflicting, laws and regulations governing lobbying.

There is the Federal Regulation of Lobbying Act, the Foreign Agents Registration Act, the so-called Byrd amendment, named after my distinguished colleague from West Virginia, and the lobbying provisions of the HUD Reform Act. There are also separate statutes regulating those who seek to lobby the Federal Energy Regulatory Commission and the Federal Maritime Commission.

This maze of regulation invites confusion, and ultimately, noncompliance. The more complex the law, the less likely people will comply with it.

To simplify the disclosure process, the Lobbying Disclosure Act replaces the current maze of overlapping regulations with a single, uniform statute.

#### CLOSING THE LOOPHOLES

Not only will this statute streamline the disclosure requirements, making compliance easier, it will also plug the gaping loopholes that make the current system hardly a system at all.

The Federal Regulation of Lobbying Act, for example, applies only to the lobbying of legislative branch officials, not to lobbying of executive branch officials. In addition, it has been interpreted to cover only efforts to lobby Members of Congress directly, not efforts to lobby congressional staff.

The Foreign Agents Registration Act exempts attorneys who represent foreigners before Federal agencies. The scope of this exemption is subject to many different interpretations.

These loopholes invite the cynicism of the American people, who suspect that Congress is up for sale to the highest bidder.

The Lobbying Disclosure Act would plug the loopholes by covering nearly all paid, professional lobbyists. It would require the registration of all lobbying organizations that spend more than \$1,000 on lobbying activities during any 6-month period. It would cover those who lobby not only Members of Congress, but also congressional staff. And, most importantly, it would make no distinction between the legislative and executive branches, requiring the registration of all those who lobby members of the executive and the independent agencies.

#### EFFECTIVE ENFORCEMENT

Mr. President, perhaps the biggest reason why the existing lobbying laws have rarely been enforced is that they rely exclusively on criminal sanctions. Since many of the violations of the laws are technical in nature, prosecutors are unwilling to bring enforcement actions and juries are unwilling to convict. And this makes sense: In most in-

stances, technical mistakes don't merit a criminal prosecution.

To make enforcement more effective, the Lobbying Disclosure Act would rely exclusively on civil penalties. The authority to assess a penalty would rest with the Director of the Office of Lobbying Registration, a new division in the Justice Department created by this bill. The Director will have the authority to determine the amount of the penalty depending on the severity of the violation.

This new approach should encourage compliance and make enforcement a reality.

Finally, Mr. President, I want to congratulate my distinguished colleagues—Senators COHEN, LEVIN, ROTH, and STEVENS—for putting this bill together and for advancing it through the Senate. Their hard work has moved Congress a few steps closer to regaining the respect of the American people.

FINANCIAL BENEFITS DISCLOSURE AMENDMENT  
Mr. WELLSTONE. Mr. President, during negotiations over my amendment on financial benefits, there were some modifications made in order to gain Chairman LEVIN's support that require some further clarifications. Therefore, I have asked my staff to prepare a brief note explaining my intentions with respect to certain key terms contained in my amendment. I ask unanimous consent that this clarifying statement be included in the RECORD at this point.

#### CLARIFICATION OF "WIDELY-ATTENDED" RECEPTIONS

Mr. President, I want to make clear for purposes of legislative history what is meant by the term "widely-attended receptions" which under my amendment is exempted from disclosure. The term "widely-attended" receptions is intended to be applied in its usual sense of events involving large numbers of Members and congressional staff. The exception from reporting requirements for widely-attended receptions is designed to exempt the kind of receptions that are often held on Capitol Hill, such as the traditional ice cream reception in the Russell courtyard to which all Senators and Senate staff are invited or such as an association's reception held in the Cannon Caucus room or at the Hyatt Hotel, where all Members of the House and House staff are invited to attend. Receptions, other than those to which a very large number of Members and/or staff have been invited, are required to be disclosed under the reporting requirements of my amendment.

Let me give a few examples. Receptions for members and staff of congressional committees or for state delegations do not meet the definition of "widely-attended receptions." A reception for all Members of Congress who may be attending a national party convention also would not be exempt under this provision. Additionally, a reception held in Chicago or Philadelphia or other city for all Members of Congress who are in the city at the time of the reception would not qualify for the exemption for "widely-attended receptions." Receptions such as these would be subject to the disclosure requirements and would not qualify for this exemption.

Finally, receptions given in conjunction with other financial benefits which must be

disclosed are not exempted from coverage by this amendment. A registered lobbyist must disclose the required information about a reception if such reception is part of other financial benefits that must be disclosed under this amendment's requirements. For example, if a registered lobbyist pays for a Member to travel to a three-day conference and one event of that conference is a reception, that reception must be reported in the same manner as the other financial benefits the lobbyist has provided.

**CLARIFICATION REGARDING EVENTS HOSTED, COHOSTED OR HELD IN HONOR OF A COVERED LEGISLATIVE BRANCH OFFICIAL**

My amendment requires that registrants under this bill must disclose an event that is hosted, cohosted with, or held in honor of, one or more covered legislative branch officials. Under this provision the registrant must list the name and position of the covered legislative branch official, the nature of the event, the date on which the event occurred, and the expenses incurred by the registrant in connection with the event. I would like to make clear that "in honor of" is intended to include any event that is "held for," is a "tribute to," is held "in behalf of" a covered legislative branch official and which is paid for in whole or in part by a registrant.

For example, if an organization required to register under the bill paid for a reception held for a Member of Congress during the national convention, that must be disclosed under my amendment.

If several organizations required to register under the bill paid for an event for a Member of Congress during the inauguration, each organization would have to disclose who the event was for, the nature and date of the event and the expenses incurred by the registrant.

Additionally, events hosted, cohosted with or held in honor of one or more covered legislative branch officials obviously do not qualify as "widely-attended receptions" and are not exempted from the amendment's reporting requirements.

**CLARIFICATION OF "PROVIDED DIRECTLY OR INDIRECTLY"**

The phrase "provided directly or indirectly" means that any benefit provided directly to a Member must be disclosed, as well as any benefit provided to any entity established, maintained, or controlled by a Member. The phrase also includes any financial benefit provided to any entity on behalf of or in the name of a Member or any financial benefit provided in response to a request or recommendation from or at the direction of a registrant.

Under the amendment's requirements, if a corporation is a registered lobbyist, any financial benefit paid for by the corporation or out of corporate funds, whether provided by a lobbyist for the corporation or by an official of the corporation, is required to be disclosed. Under the amendment's requirements to disclose financial benefits provided indirectly, a registrant lobbying on behalf of a client would be required to disclose financial benefits provided by one of the registrant's clients to a Member or congressional staff if the financial benefit was provided in response to a request or recommendation from or at the direction of the registrant.

I would like to make clear that this is my intention with respect to these terms within the context of my amendment, and to make this statement a part of its legislative history.

Mr. LEVIN. Mr. President, for 50 years we have tried to close the loop-

holes in lobbying reform laws. On at least four different occasions over a decade, efforts have been made. They have been stymied repeatedly. As a result, most people who are paid to lobby in this town do not disclose that fact, do not disclose who is paying them how much to lobby.

This is a bipartisan bill which will finally achieve that goal which was first put into law as a goal in 1946.

I hope at 4:15, when we are going to have our vote, that there will be a strong bipartisan vote for this bill. It has been a long time in coming.

I will have some additional thank you's after the bill is, hopefully, adopted.

Mr. President, I ask unanimous consent that the vote on final passage occur at 4:15.

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

The question is on the engrossment and third reading of the bill.

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

**RECESS UNTIL 4:15 P.M.**

Mr. LEVIN. Mr. President, I now ask unanimous consent that the Senate stand in recess until 4:15.

There being no objection, the Senate, at 2:58 p.m., recessed until 4:16 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. AKAKA].

**LOBBYING DISCLOSURE ACT OF 1993**

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The hour of 4:15 having arrived, the question is on the passage of the bill, S. 349, as amended.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN], the Senator from Texas [Mr. KRUEGER], and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 95, nays 2, as follows:

[Rollcall Vote No. 116 Leg.]

**YEAS—95**

Akaka	Bumpers	Danforth
Baucus	Burns	Daschle
Bennett	Byrd	DeConcini
Biden	Campbell	Dodd
Bingaman	Chafee	Dole
Bond	Coats	Domenici
Boren	Cochran	Dorgan
Boxer	Cohen	Durenberger
Bradley	Conrad	Exon
Breaux	Coverdell	Faircloth
Brown	Craig	Feingold
Bryan	D'Amato	Feinstein

Ford	Kohl	Packwood
Glenn	Lautenberg	Pell
Gorton	Leahy	Pressler
Graham	Levin	Reid
Gramm	Lieberman	Riegle
Grassley	Lott	Robb
Gregg	Lugar	Rockefeller
Harkin	Mack	Roth
Hatch	Mathews	Sarbanes
Hatfield	McCain	Sasser
Helms	McConnell	Shelby
Hollings	Metzenbaum	Simon
Inouye	Mikulski	Simpson
Jeffords	Mitchell	Specter
Johnston	Moseley-Braun	Stevens
Kassebaum	Moynihn	Thurmond
Kempthorne	Murkowski	Warner
Kennedy	Murray	Wellstone
Kerrey	Nickles	Wofford
Kerry	Nunn	

**NAYS—2**

Smith Wallop

**NOT VOTING—3**

Heflin Krueger Pryor

So the bill, S. 349, as amended, was passed as follows:

S. 349

*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 "Lobbying Disclosure Act of 1993".

**SEC. 2. FINDINGS AND PURPOSE.**

(a) FINDINGS.—The Congress finds that—

(1) responsible representative Government requires public awareness of the efforts of paid lobbyists to influence the public decisionmaking process in both the legislative and executive branches of the Federal Government;

(2) existing lobbying disclosure statutes have been ineffective because of unclear statutory language, weak administration and enforcement provisions, and an absence of clear guidance as to who is required to register and what they are required to disclose; and

(3) the effective public disclosure of the identity and extent of the efforts of paid lobbyists to influence Federal officials in the conduct of Government actions will increase public confidence in the integrity of Government.

(b) PURPOSE.—The purposes of this Act are to—

(1) provide for the disclosure of the efforts of paid lobbyists to influence Federal legislative or executive branch officials in the conduct of Government actions; and

(2) afford the fullest opportunity to the people of the United States to exercise their constitutional right to petition their Government for a redress of grievances, to express their opinions freely to their Government, and to provide information to their Government.

**SEC. 3. DEFINITIONS.**

As used in this Act:

(1) The term "agency" has the same meaning as such term is defined under section 551(1) of title 5, United States Code.

(2) The term "client" means any person who employs or retains another person for financial or other compensation to conduct lobbying activities on its own behalf. An organization whose employees act as lobbyists on its behalf is both a client and an employer of its employee lobbyists. In the case of a coalition or association that employs or retains persons to conduct lobbying activities on behalf of its membership, the client is the coalition or association and not its individual members.

(3) The term "covered executive branch official" means—

(A) the President;  
(B) the Vice President;  
(C) any officer or employee of the Executive Office of the President other than a clerical or secretarial employee;

(D) any officer or employee serving in an Executive level I, II, III, IV, or V position, as designated in statute or executive order;

(E) any officer or employee serving in a Senior Executive Service position, as defined under section 3132(a)(2) of title 5, United States Code;

(F) any member of the uniformed services whose pay grade is at or in excess of O-7 under section 201 of title 37, United States Code; and

(G) any officer or employee serving in a position of a confidential or policy-determining character under Schedule C of the excepted service pursuant to section 7511 of title 5, United States Code.

(4) The term "covered legislative branch official" means—

(A) a Member of Congress;

(B) an elected officer of Congress;

(C) any employee of a Member of the House of Representatives, of a committee of the House of Representatives, or on the leadership staff of the House of Representatives, other than a clerical or secretarial employee;

(D) any employee of a Senator, of a Senate Committee, or on the leadership staff of the Senate, other than a clerical or secretarial employee; and

(E) any employee of a joint committee of the Congress, other than a clerical or secretarial employee.

(5) The term "Director" means the Director of the Office of Lobbying Registration and Public Disclosure.

(6) The term "employee" means any individual who is an officer, employee, partner, director, or proprietor of an organization, but does not include—

(A) independent contractors or other agents who are not regular employees; or

(B) volunteers who receive no financial or other compensation from the organization for their services.

(7) The term "foreign entity" means—

(A) a government of a foreign country or a foreign political party (as such terms are defined in section 1 (e) and (f) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 (e) and (f)));

(B) a person whose principal place of residence is outside the United States, other than a United States citizen or an organization that is organized under the laws of the United States or any State and has its principal place of business in the United States; or

(C) a partnership, association, corporation, organization, or other combination of persons that is organized under the laws of or has its principal place of business in a foreign country.

(8) The term "lobbying activities" means lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended for use in contacts, and coordination with the lobbying activities of others. Lobbying activities include grass roots lobbying communications and communications with members, as defined under section 4911 (d)(1)(A) and (d)(3) of the Internal Revenue Code of 1986 and the regulations implementing such provisions, to the extent that such activities are made in direct support of lobbying contacts.

(9)(A) The term "lobbying contact" means any oral or written communication with a covered legislative or executive branch official made on behalf of a client with regard to—

(i) the formulation, modification, or adoption of Federal legislation (including legislative proposals);

(ii) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

(iii) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license) except that it does not include communications that are made to covered executive branch officials in the agency responsible for taking such action who serve in the Senior Executive Service, or who are members of the uniformed services whose pay grade is lower than O-9 under section 201 of title 37, United States Code.

(B) The term shall not include communications that are—

(i) made by public officials acting in their official capacity;

(ii) made by representatives of a media organization who are primarily engaged in gathering and disseminating news and information to the public;

(iii) made in a speech, article, publication or other material that is widely distributed to the public, or through the media;

(iv) made on behalf of a foreign principal and disclosed under the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.);

(v) requests for appointments, requests for the status of a Federal action, or other similar ministerial contacts, if there is no attempt to influence covered legislative or executive branch officials;

(vi) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act;

(vii) testimony given before a committee, subcommittee, or office of Congress, or submitted for inclusion in the public record of a hearing conducted by such committee, subcommittee, or office;

(viii) information provided in writing in response to a specific written request from a covered legislative or executive branch official;

(ix) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

(x) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publication soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications;

(xi) not possible to report without disclosing information, the unauthorized disclosure of which is prohibited by law;

(xii) made to agency officials with regard to judicial proceedings, criminal or civil law enforcement inquiries, investigations or proceedings, or filings required by statute or regulation;

(xiii) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

(xiv) written comments filed in a public docket and other communications that are made on the record in a public proceeding;

(xv) a formal petition for agency action, made in writing pursuant to established agency procedures; and

(xvi) made on behalf of an individual with regard to such individual's benefits, employment, other personal matters involving only that individual, or disclosures by that individual pursuant to applicable whistleblower statutes.

(10) The term "lobbyist" means any individual who is employed or retained by another for financial or other compensation to perform services that include lobbying contacts, other than an individual whose lobbying activities are only incidental to, and are not a significant part of, the services provided by such individual to the client.

(11) The term "organization" means any corporation (excluding a Government corporation), company, foundation, association, labor organization, firm, partnership, society, joint stock company, or group of organizations. Such term shall not include any Federal, State, or local unit of government (other than a State college or university as described under section 511(a)(2)(B) of the Internal Revenue Code of 1986), organization of State or local elected or appointed officials, any Indian tribe, any national or State political party and any organizational unit thereof, or any national, regional, or local unit of any foreign government.

(12) The term "public official" means any elected or appointed official who is a regular employee of a Federal, State, or local unit of government (other than a State college or university as described under section 511(a)(2)(B) of the Internal Revenue Code of 1986), an organization of State or local elected or appointed officials, an Indian tribe, a national or State political party or any organizational unit thereof, or a national, regional, or local unit of any foreign government.

#### SEC. 4. REGISTRATION OF LOBBYISTS.

(a) REGISTRATION.—(1) No later than 30 days after a lobbyist first makes a lobbying contact or agrees to make lobbying contacts, whichever is earlier, such lobbyist (or, as provided under subsection (c)(2), the organization employing such lobbyist), shall register with the Office of Lobbying Registration and Public Disclosure.

(2)(A) Notwithstanding paragraph (1), any person whose total income (in the case of an organization described under section 5(b)(3)) or total expenses (in the case of an organization described under section 5(b)(4)) in connection with lobbying activities do not exceed, or are not expected to exceed—

(i) \$1,000 in a semiannual period on behalf of a particular client, or

(ii) \$5,000 in a semiannual period on behalf of all clients,

(as estimated under section 5), is not required to register with respect to such client or clients.

(B) The registration thresholds established in this paragraph shall be adjusted on January 1 of each year divisible by 5 to the amount equal to \$1,000 and \$5,000, respectively, in constant 1995 dollars (rounded to the nearest \$100).

(b) CONTENTS OF REGISTRATION.—Each registration under this section shall be in such form as the Director shall prescribe by regulation and shall contain—

(1) the name, address, business telephone number and principal place of business of the registrant, and a general description of its business or activities;

(2) the name, address, and principal place of business of the registrant's client, and a general description of its business or activities (if different from paragraph (1));

(3) the name, address, and principal place of business of any organization, other than the client, that—

(A) contributes more than \$5,000 toward the registrant's lobbying activities in a semiannual period;

(B) significantly participates in the supervision or control of the registrant's lobbying activities; and

(C) has a direct financial interest in the outcome of the registrant's lobbying activities;

(4) the name, address, principal place of business, and approximate percentage of equitable ownership in the client (if any) of any foreign entity that—

(A) holds at least 20 percent equitable ownership in the client or any organization identified under paragraph (3);

(B) directly or indirectly, in whole or in major part, supervises, controls, directs, finances, or subsidizes the registrant's lobbying activities; or

(C) is an affiliate of the client or any organization identified under paragraph (3) that has a direct interest in the outcome of the lobbying activity;

(5) a statement of the general issue areas in which the registrant expects to engage in lobbying activities on behalf of the client and, to the extent practicable, a list of specific issues that have already been addressed or are likely to be addressed (as of the date of the registration); and

(6) the name of each employee of the registrant whom the registrant expects to act as a lobbyist on behalf of the client (or who has already acted as a lobbyist on behalf of the client as of the date of the registration) and, if any such employee has served as a covered legislative or executive branch official in the 2-year period before the date on which such employee first acted as a lobbyist on behalf of the client, the position in which such employee served.

(c) **GUIDELINES FOR REGISTRATION.**—(1) In the case of a registrant representing more than one client, a separate registration shall be filed for each client represented.

(2) Any organization that has one or more employees who are lobbyists shall file a single registration for each client on behalf of its employees who acted as lobbyists on behalf of such client.

#### SEC. 5. REPORTS BY REGISTERED LOBBYISTS.

(a) **SEMIANNUAL REPORT.**—No later than 30 days after the end of the semiannual period beginning on the first day of each January and the first day of July of each year in which it is registered, each registrant shall file a report with the Office of Lobbying Registration and Public Disclosure on its lobbying activities during such semiannual period.

(b) **CONTENTS OF REPORT.**—Each semiannual report filed under this section shall be in such form as the Director shall prescribe by regulation and shall contain—

(1) the name of the registrant, the name of the client, and any changes or updates to the information provided in the initial registration;

(2) for each general issue area in which the registrant engaged in lobbying activities on behalf of the client during the semiannual filing period—

(A) a list of the specific issues upon which the registrant engaged in significant lobbying activities, including a list of bill numbers and references to specific regulatory actions, programs, projects, contracts, grants and loans, to the maximum extent practicable;

(B) a statement of the Houses and committees of Congress and the Federal agencies

contacted by lobbyists employed by the registrant on behalf of the client during the semiannual filing period;

(C) a list of the employees of the registrant who acted as lobbyists on behalf of the client; and

(D) a description of the interest in the issue, if any, of any foreign entity identified under section 4(b)(4);

(3) in the case of a registrant lobbying on behalf of a client other than the registrant, a good faith estimate of the total amount of all income from the client (including any payments to the registrant by any other person to lobby on behalf of the client) during the semiannual period, other than income for matters that are unrelated to lobbying activities;

(4) in the case of a registrant lobbying on its own behalf, a good faith estimate of the total expenses that the organization and its employees incurred in connection with lobbying activities during the semiannual filing period; and

(5) in the case of a registrant described under paragraph (3), the name, address, and principal place of business of any person other than the client who paid the registrant to lobby on behalf of the client.

#### (c) **ADDITIONAL INFORMATION ON FINANCIAL BENEFITS.**—

(1) **IN GENERAL.**—In addition to the information described in subsection (b), each registrant shall include in its semiannual reports under subsection (a) or in a separate report on financial benefits, subject to the same filing requirements, a list of each individual financial benefit provided directly or indirectly by a registrant (including a financial benefit provided by a lobbyist employed by or a lobbyist who is a member of a registrant) to a covered legislative branch official, to an entity that is established, maintained, controlled, or financed by a covered legislative branch official, or to any other person or entity on behalf of or in the name of a covered legislative branch official, disclosing—

(A) with respect to each financial benefit other than one described in subparagraph (B), (C), or (D)—

(i) the name and position of the covered legislative branch official or other person or entity to whom or which the financial benefit was provided;

(ii) the nature of the financial benefit;

(iii) the date on which the financial benefit was provided; and

(iv) the value of the financial benefit;

(B) with respect to each financial benefit that is in the form of a conference, retreat, or similar event for or on behalf of covered legislative branch officials that is sponsored by or affiliated with an official congressional organization—

(i) the nature of the conference, retreat, or other event;

(ii) the date or dates on which the conference, retreat, or other event occurred;

(iii) the identity of the organization that sponsored or is affiliated with the event; and

(iv) a single aggregate figure for the expenses incurred by the registrant in connection with the conference, retreat, or similar event;

(C) with respect to each financial benefit that is in the form of an event that is hosted or cohosted with or in honor of 1 or more covered legislative branch officials—

(i) the name and position of each such covered legislative branch official;

(ii) the nature of the event;

(iii) the date on which the event occurred; and

(iv) the expenses incurred by the registrant in connection with the event; and

(D) with respect to each financial benefit that is in the form of election campaign fundraising activity—

(i) the name and position of the covered legislative branch official on behalf of whom the fundraising activity was performed;

(ii) the nature of the fundraising activity;

(iii) the date or dates on which the fundraising activity was performed;

(iv) the expenses incurred by the registrant in connection with the fundraising activity; and

(v) the number of contributions and the aggregate amount of contributions known by the registrant to have been made to the covered legislative branch official as a result of the fundraising activity.

(2) **EXEMPTION.**—A list described in paragraph (1) need not disclose financial benefits having a value of \$20 or less to the extent that the aggregate value of such financial benefits that are provided to or on behalf of a covered legislative branch official or other person or entity during the calendar year in which the semiannual period covered by the report occurs has not exceeded \$50.

(3) **DEFINITION.**—As used in this subsection, the term "financial benefit"—

(A) means anything of value given to, on behalf of, or for the benefit of a covered legislative branch official, including—

(i) a gift;

(ii) payment for local or long-distance transportation, entertainment, food, or lodging, whether provided in kind, by purchase of a ticket, by payment in advance or by reimbursement, or otherwise;

(iii) a contribution or other payment made to a third party in lieu of an honorarium on the basis of a designation, recommendation, or other specification made by the covered legislative branch official;

(iv) reimbursement of an expense;

(v) a loan; and

(vi) an expenditure made for a conference, retreat, or other event benefiting a covered person, but

(B) does not include—

(i) a contribution, as defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), that is required to be reported under that Act, unless the contribution is in the form of participation in a fundraising activity on behalf of a covered legislative branch official, including the solicitation of contributions, hosting or cohosting of a fundraising event, or service on a campaign steering committee or its equivalent;

(ii) a modest item of food or refreshments, such as a soft drink, coffee, or doughnut, offered other than as part of a meal;

(iii) a greeting card or other item of little intrinsic value, such as a plaque, certificate, or trophy, that is intended solely for presentation;

(iv) financial benefits given under circumstances which make it clear that the benefits are motivated by a family relationship rather than the position of the recipient;

(v) financial benefits which are not used and which are promptly returned to the donor; or

(vi) widely attended receptions to which covered legislative branch officials are invited, other than events described in paragraph (1)(B) of this subsection.

(d) **ESTIMATES OF INCOME OR EXPENSES.**—For the purpose of this section, estimates of income or expenses shall be made as follows:

(1) Income or expenses of \$200,000 or less shall be estimated by the following categories:

(A) At least \$1,000 but not more than \$10,000.

(B) More than \$10,000 but not more than \$20,000.

(C) More than \$20,000 but not more than \$50,000.

(D) More than \$50,000 but not more than \$100,000.

(E) More than \$100,000 but not more than \$200,000.

(2) Income or expenses in excess of \$200,000 shall be estimated and rounded to the nearest \$100,000.

(3)(A) Any registrant whose total income (in the case of an organization described under subsection (b)(3)) or total expenses (in the case of an organization described under subsection (b)(4)) in connection with lobbying activities do not exceed—

(i) \$1,000 in a semiannual period on behalf of a particular client, or

(ii) \$5,000 in a semiannual period on behalf of all clients,

(as estimated under this section), or who does not make any lobbying contacts on behalf of a particular client, is deemed to be inactive during such period with respect to such client or clients and may comply with the reporting requirements of this section by notifying the Director, in such form as the Director may prescribe.

(B) The reporting thresholds established under this paragraph shall be adjusted on January 1 of each year divisible by 5 to the amount equal to \$1,000 and \$5,000, respectively, in constant 1995 dollars (rounded to the nearest \$100).

(4) In the case of registrants that are required to report or identify lobbying income or expenses under sections 6033 and 6104 of the Internal Revenue Code of 1986, regulations developed under section 6 shall provide that the amounts required to be disclosed under such sections, or a good faith estimate of such amounts, may be reported (by category of dollar value) to meet the requirements of subsection (b) (3) or (4) of this section.

(5) In estimating total income or expenses under this section, a registrant is not required to include—

(A) the value of contributed services for which no payment is made; or

(B) the expenses for services provided by an independent contractor or agent of the registrant who is separately registered under this Act.

(e) CONTACTS WITH CONGRESSIONAL COMMITTEES.—For purposes of subsection (b)(2), any contact with a member of a congressional committee, an employee of a congressional committee, or an employee of a member of a congressional committee regarding a matter within the jurisdiction of such committee is a contact with the committee.

(f) EXTENSION FOR FILING.—The Director may grant an extension of time of not more than 30 days for the filing of any report under this section, on the request of the registrant, for good cause shown.

#### SEC. 6. ADMINISTRATIVE DUTIES OF THE OFFICE OF LOBBYING REGISTRATION AND PUBLIC DISCLOSURE.

(a) ESTABLISHMENT.—(1) There is established within the Department of Justice an Office of Lobbying Registration and Public Disclosure, which shall be headed by a Director. The Director shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be an individual who, by demonstrated ability, background, training, and experience, is especially qualified to carry out the functions of the position.

(2) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director of the Office of Lobbying Registration and Public Disclosure, Department of Justice."

(b) DUTIES.—The Director of the Office of Lobbying Registration and Public Disclosure shall—

(1) after notice and an opportunity for public comment, and consultation with the Secretary of the Senate, the Clerk of the House of Representatives, and the Administrative Conference of the United States, prescribe such rules, forms, penalty schedules, and procedural regulations as are necessary for the implementation of this Act;

(2) provide guidance and assistance on the registration and reporting requirements of this Act, including, to the extent practicable, the issuance of published decisions and advisory opinions;

(3) review and make such supplemental verifications or inquiries as are necessary to ensure the completeness, accuracy, and timeliness of registrations and reports;

(4) develop filing, coding, and cross-indexing systems to carry out the purposes of this Act, including computerized systems designed to minimize the burden of filing and maximize public access to materials filed under this Act;

(5) ensure that the computer systems developed pursuant to paragraph (4)—

(A) allow the materials filed under this Act to be accessed by the name of the client, the lobbyist, and the registrant;

(B) are compatible with computer systems developed and maintained by the Federal Election Commission, and that information filed in the two systems can be readily cross-referenced; and

(C) are compatible with computer systems developed and maintained by the Secretary of the Senate and the Clerk of the House of Representatives;

(6) make copies of each registration and report filed under this Act available to the public in electronic and hard copy formats as soon as practicable after the date on which such registration or report is received;

(7) preserve the originals or accurate reproduction of registrations until such time as they are terminated, and of reports for a period of no less than 2 years from the date on which the report is received;

(8) maintain a computer record of the information contained in registrations and reports for no less than 5 years after the date on which such registrations and reports are received;

(9) compile and summarize, with respect to each semiannual period, the information contained in registrations and reports filed during such period in a manner which clearly presents the extent and nature of expenditures on lobbying activities during such period;

(10) make information compiled and summarized under paragraph (9) available to the public in electronic and hard copy formats as soon as practicable after the close of each semiannual filing period;

(11) provide, by computer telecommunication or other transmittal in a form accessible by computer, to the Secretary of the Senate and the Clerk of the House of Representatives copies of all registrations and reports received under this Act and all compilations, cross-indexes, and summaries of such registrations and reports, as soon as practicable (but not later than 3 working days) after such material is received or created; and

(12) transmit to the President and the Congress an annual report describing the activities of the Office and the implementation of this Act, including—

(A) a financial statement for the preceding year;

(B) a summary of the registrations and reports filed with the Office in the preceding year;

(C) a summary of the registrations and reports filed on behalf of foreign entities in the preceding year; and

(D) recommendations for such legislative or other action as the Director considers appropriate.

#### SEC. 7. INFORMAL RESOLUTION OF ALLEGED NONCOMPLIANCE.

(a) ALLEGATION OF NONCOMPLIANCE.—Whenever the Office of Lobbying Registration and Public Disclosure has reason to believe that a person may be in noncompliance with the requirements of this Act, the Director shall notify the person in writing of the nature of the alleged noncompliance and provide an opportunity for the person to respond in writing to the allegation within 30 days or such longer period as the Director may determine appropriate in the circumstances.

(b) INFORMAL RESOLUTION.—If the person responds within 30 days or other time limit set by the Director, the Director shall—

(1) take no further action, if the person provides adequate information or explanation to determine that it is unlikely that such person is in noncompliance with the requirements of this Act;

(2) if the person admits that there was a noncompliance and corrects such noncompliance—

(A) in the case of a minor noncompliance, take no further action; or

(B) in the case of a significant noncompliance, treat the matter as a minor noncompliance for the purpose of section 8; or

(3) make a determination under section 8, if the information or explanation provided indicates that such person may be in noncompliance with the requirements of this Act.

(c) FORMAL REQUEST FOR INFORMATION.—If the person fails to respond in writing within 30 days or other time limit set by the Director, or the response is not adequate to determine whether such person is in noncompliance with the requirements of this Act, the Director may make a formal request for specific additional documentary information (subject to applicable privileges) that is reasonably necessary for the Director to make such determination. Each such request shall be structured to minimize the burden imposed, consistent with the need to determine whether the person is in compliance, and shall—

(1) state the nature of the conduct constituting the alleged noncompliance which is the basis for the inquiry and the provision of law applicable thereto;

(2) describe the class or classes of documentary material to be produced thereunder with such definiteness and certainty as to permit such material to be readily identified; and

(3) prescribe a return date or dates which provide a reasonable period of time within which the material so requested may be assembled and made available for inspection and copying or reproduction.

(d) NONDISCLOSURE OF INFORMATION.—Information provided to the Director under this section shall not be made available to the public, or to any legislative or executive branch official outside the Office of Lobbying Registration and Public Disclosure (ex-

cept as required for the enforcement of this Act), without the consent of the person providing the information, except that—

(1) any new or amended report or registration filed in connection with an inquiry under this section shall be made available to the public in the same manner as any other registration or report filed under section 4 or 5; and

(2) written decisions issued by the Director under sections 8 and 9 may be published after appropriate redaction by the Director to ensure that confidential information is not disclosed.

#### SEC. 8. DETERMINATIONS OF NONCOMPLIANCE.

(a) NOTIFICATION AND HEARING.—If the information provided to the Director under section 7 indicates that such person may be in noncompliance with the requirements of this Act, the Director shall—

(1) notify the person in writing of this finding and, if appropriate, a proposed penalty assessment and provide such person with an opportunity to respond in writing within 30 days; and

(2) if requested by such person within such 30-day period, afford the person—

(A) in the case of a minor noncompliance, an informal hearing at which additional evidence may be presented; and

(B) in the case of a significant noncompliance, an opportunity for a hearing on the record under the provisions of section 556 of title 5, United States Code.

(b) DETERMINATION.—The Director shall review the information received under this section and section 7 and make a final determination whether there was a noncompliance and a final determination of the penalty, if any. If no written response or request for a hearing was received under this section within the 30-day period provided, the determination and penalty assessment shall constitute a final and nonappealable order.

(c) WRITTEN DECISION.—If the Director makes a final determination that there was a noncompliance, the Director shall issue a public written decision—

(1) requiring that the noncompliance be included in a publicly available list of noncompliances, to be reported to the Congress on a semiannual basis;

(2) directing the person to correct the noncompliance; and

(3) assessing a civil monetary penalty in an amount determined as follows:

(A) In the case of a minor noncompliance, the amount shall be no more than \$10,000, depending on the nature and extent of the noncompliance.

(B) In the case of a significant noncompliance, the amount shall be more than \$10,000, but no more than \$200,000, depending on the nature and extent of the noncompliance and the extent to which the person may have profited from the noncompliance.

(d) CIVIL INJUNCTIVE RELIEF.—If a person fails to comply with a directive to correct a noncompliance under subsection (c), the Director shall refer the case to the Attorney General to seek civil injunctive relief.

(e) PENALTY ASSESSMENTS.—(1) No penalty shall be assessed under this section unless the Director finds that the person subject to the penalty knew or should have known that such person was not in compliance with the requirements of this Act. In determining the amount of a penalty to be assessed, the Director shall take into account the totality of the circumstances, including the extent and gravity of the noncompliance and such other matters as justice may require. The Director shall not assess a penalty in an amount greater than that recommended by an ad-

ministrative law judge after a hearing on the record under subsection (a)(3) unless the Director determines that the recommendation of the administrative law judge is arbitrary and capricious or an abuse of discretion.

(2) Regulations prescribed by the Director under section 6 shall define minor and significant noncompliances. Significant noncompliances shall be defined to include a knowing failure to register and any other knowing noncompliance that is extensive or repeated.

(f) LIMITATION.—No proceeding shall be initiated under this section unless the Director notifies the person who is the subject of the proceeding of the alleged noncompliance, pursuant to section 7, within 3 years after the date on which the registration or report at issue was filed or required to be filed.

#### SEC. 9. OTHER VIOLATIONS.

(a) LATE REGISTRATION OR FILING; FAILURE TO PROVIDE INFORMATION.—If a person registers or files more than 30 days after a registration or filing is required under this Act, or fails to provide information requested by the Director under section 7(c), the Director shall—

(1) notify the person in writing of the noncompliance and a proposed penalty assessment and provide such person with an opportunity to respond in writing within 30 days; and

(2) if requested by such person within such 30-day period, afford the person an informal hearing at which additional evidence may be presented.

(b) DETERMINATION.—Unless the Director determines that the late filing or failure to provide information was justified, the Director shall make a final determination of noncompliance and a final determination of the penalty, if any. If no written response or request for a hearing was received under this section within the 30-day period provided, the determination and penalty assessment shall constitute a final and unappealable order.

(c) WRITTEN DECISION.—If the Director makes a final determination that there was a noncompliance, the Director shall issue a public written decision—

(1) in the case of a late filing, assessing a civil monetary penalty of \$200 for each week by which the filing was late, with the total penalty not to exceed \$10,000; or

(2) in the case of a failure to provide information—

(A) directing the person to provide the information within a reasonable period of time; and

(B) except where the noncompliance was the result of a good faith dispute over the validity or appropriate scope of a request for information—

(i) including the noncompliance in a publicly available list of noncompliances, to be reported to the Congress on a semiannual basis; and

(ii) assessing a civil monetary penalty in an amount not to exceed \$10,000.

(d) CIVIL INJUNCTIVE RELIEF.—In addition to the penalties provided in this section, the Director may refer the noncompliance to the Attorney General to seek civil injunctive relief.

#### SEC. 10. JUDICIAL REVIEW.

(a) FINAL DECISION.—A written decision issued by the Director under section 8 or 9 shall become final 60 days after the date on which the Director provides notice of the decision, unless such decision is appealed under subsection (b) of this section.

(b) APPEAL.—Any person adversely affected by a written decision issued by the Director

under section 8 or 9 may appeal such decision, except as provided under sections 8(b) or 9(b), to the appropriate United States court of appeals. Such review may be obtained by filing a written notice of appeal in such court no later than 60 days after the date on which the Director provides notice of the Director's decision and by simultaneously sending a copy of such notice to the Director. The Director shall file in such court the record upon which the decision was issued, as provided under section 2112 of title 28, United States Code. The findings of fact of the Director shall be conclusive, unless found to be unsupported by substantial evidence, as provided under section 706(2)(E) of title 5, United States Code. Any penalty assessed or other action taken in the decision shall be stayed during the pendency of the appeal.

(c) RECOVERY OF PENALTY.—Any penalty assessed in a written decision which has become final under this Act may be recovered in a civil action brought by the Attorney General in an appropriate United States district court. In any such action, no matter that was raised or that could have been raised before the Director or pursuant to judicial review under subsection (b) may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

(d) ATTORNEYS' FEES.—In any appeal brought under this section, in which the person who is the subject of such action substantially prevails on the merits, the court may assess against the United States attorneys' fees and other litigation costs reasonably incurred in the administrative proceeding and the appeal.

#### SEC. 11. RULES OF CONSTRUCTION.

(a) PROHIBITION OF ACTIVITIES.—Nothing in this Act shall be construed to prohibit, or to authorize the Director or any court to prohibit, lobbying activities or lobbying contacts by any person, regardless of whether such person is in compliance with the requirements of this Act.

(b) AUDIT AND INVESTIGATIONS.—Nothing in this Act shall be construed to grant general audit or investigative authority to the Director, or to authorize the Director to review the files of a registrant, except in accordance with the requirements of section 7 regarding the informal resolution of alleged noncompliances and formal requests for information.

#### SEC. 12. AMENDMENTS TO THE FOREIGN AGENTS REGISTRATION ACT.

The Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.) is amended—

(1) in section 1—

(A) by amending subsection (b) to read as follows:

“(b) The term ‘foreign principal’ means a government of a foreign country or a foreign political party.”;

(B) by striking out subsection (j);

(C) in subsection (o), by striking out “the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence” and inserting in lieu thereof “any activity which the person engaging in believes will, or which he intends to, in any way influence”;

(D) in subsection (p) by striking out the semicolon and inserting in lieu thereof a period; and

(E) by striking out subsection (q);

(2) in section 3(g) (22 U.S.C. 613(g)), by striking out "established agency proceedings, whether formal or informal," and inserting in lieu thereof "judicial proceedings, criminal or civil law enforcement inquiries, investigations or proceedings, or agency proceedings required by statute or regulation to be conducted on the record";

(3) in section 4(a) (22 U.S.C. 614(a))—

(A) by striking out "political propaganda" and inserting in lieu thereof "informational materials"; and

(B) by striking out "and a statement, duly signed by or on behalf of such an agent, setting forth full information as to the places, times and extent of such transmittal";

(4) in section 4(b) (22 U.S.C. 614(b))—

(A) by striking out "political propaganda" and inserting in lieu thereof "informational materials"; and

(B) by striking out "(i) in the form of prints or" and all that follows through the end of the subsection and inserting in lieu thereof "without placing in such informational materials a conspicuous statement that the materials are distributed by the agent on behalf of the foreign principal, and that additional information is on file with the Department of Justice, Washington, District of Columbia. The Attorney General may by rule define what constitutes a conspicuous statement for the purposes of this subsection";

(5) in section 4(c) (22 U.S.C. 614(c)), by striking out "political propaganda" and inserting in lieu thereof "informational materials";

(6) in section 6 (22 U.S.C. 616)—

(A) in subsection (a), by striking out "and all statements concerning the distribution of political propaganda";

(B) in subsection (b), by striking out ", and one copy of every item of political propaganda"; and

(C) in subsection (c), by striking out "copies of political propaganda";

(7) in section 8 (22 U.S.C. 618)—

(A) in subsection (a)(2), by striking out "or in any statement under section 4(a) hereof concerning the distribution of political propaganda"; and

(B) by striking out subsection (d); and

(8) in section 11 (22 U.S.C. 621), by striking out "including the nature, sources, and content of political propaganda disseminated or distributed."

#### SEC. 13. AMENDMENTS TO THE BYRD AMENDMENT.

(a) REVISED CERTIFICATION REQUIREMENTS.—Section 1352(b) of title 31, United States Code, is amended—

(1) in paragraph (2), by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following:

"(A) the name of any registrant under the Lobbying Disclosure Act of 1993 who has made lobbying contacts on behalf of the person with respect to that Federal contract, grant, loan, or cooperative agreement; and

"(B) a certification that the person making the declaration has not made, and will not make, any payment prohibited by subsection (a).";

(2) in paragraph (3), by striking out all that follows "loan shall contain" and inserting in lieu thereof "the name of any registrant under the Lobbying Disclosure Act of 1993 who has made lobbying contacts on behalf of the person in connection with that loan insurance or guarantee"; and

(3) by striking out paragraph (6) and redesignating paragraph (7) as paragraph (6).

(b) DELETION OF OBSOLETE REPORTING REQUIREMENT.—Section 1352 of title 31, United States Code, is further amended by—

(1) striking out subsection (d); and

(2) redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively.

#### SEC. 14. REPEAL OF CERTAIN LOBBYING PROVISIONS.

(a) REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT.—The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.) is repealed.

(b) REPEAL OF PROVISIONS RELATING TO HOUSING LOBBYIST ACTIVITIES.—(1) Section 13 of the Department of Housing and Urban Development Act (42 U.S.C. 3537b) is repealed.

(2) Section 536(d) of the Housing Act of 1949 (42 U.S.C. 1490p(d)) is repealed.

(c) REPEAL OF REGISTRATION REQUIREMENT RELATING TO PUBLIC UTILITY LOBBYING ACTIVITIES.—Section 12(i) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 791(i)) is repealed.

#### SEC. 15. CONFORMING AMENDMENTS TO OTHER STATUTES.

(a) AMENDMENT TO COMPETITIVENESS POLICY COUNCIL ACT.—Section 5206(e) of the Competitiveness Policy Council Act (15 U.S.C. 4804(e)) is amended by inserting "or a lobbyist for a foreign entity (as the terms 'lobbyist' and 'foreign entity' are defined under section 3 of the Lobbying Disclosure Act of 1993)" after "an agent for a foreign principal".

(b) AMENDMENT TO TITLE 18, UNITED STATES CODE.—Section 219(a) of title 18, United States Code, is amended by inserting "or a lobbyist required to register under the Lobbying Disclosure Act of 1993 in connection with the representation of a foreign entity as defined under section 3(7) of such Act," after "an agent of a foreign principal required to register under the Foreign Agents Registration Act of 1938, as amended."

(c) AMENDMENT TO FOREIGN SERVICE ACT OF 1980.—Section 602(c) of the Foreign Service Act of 1980 (22 U.S.C. 4002(c)) is amended by inserting "or a lobbyist for a foreign entity (as defined in section 3(7) of the Lobbying Disclosure Act of 1993)" after "an agent of a foreign principal (as defined by section 1(b) of the Foreign Agents Registration Act of 1938)".

(d) AMENDMENT TO THE FEDERAL ELECTION CAMPAIGN ACT.—Section 319(b) of the Federal Election Campaign Act (2 U.S.C. 441e(b)) is amended—

(1) in paragraph (1) by striking out "or" after the semicolon;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

"(2) a foreign entity, as such term is defined by section 3(7) of the Lobbying Disclosure Act of 1993; or"

#### SEC. 16. SEVERABILITY.

If any provision of this Act, or the application thereof, is held invalid, the validity of the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.

#### SEC. 17. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

#### SEC. 18. IDENTIFICATION OF CLIENT.

Any person who makes a lobbying contact with a covered legislative branch official or a covered executive branch official shall, on the request of the official at the time of the lobbying contact, state whether such person is registered under this Act and identify the client on whose behalf the lobbying contact is made.

#### SEC. 19. TRANSITIONAL FILING REQUIREMENT.

(a) SIMULTANEOUS FILING.—Subject to the provisions of subsection (b), each registrant shall transmit simultaneously to the Secretary of the Senate and the Clerk of the House of Representatives an identical copy of each registration and report required to be filed under this Act.

(b) SUNSET PROVISION.—The simultaneous filing requirement under subsection (a) shall be effective until such time as the Director, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, determines that the Office of Lobbying Registration is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 6(b)(11).

(c) IMPLEMENTATION.—The Director, the Secretary of the Senate and the Clerk of the House of Representatives shall take such actions as necessary to ensure that the Office of Lobbying Registration is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 6(b)(11) on the effective date of this Act, or as soon thereafter as reasonably practicable.

#### SEC. 20. GOVERNMENT-SPONSORED ENTERPRISES—REPORT TO CONGRESS.

(a) IN GENERAL.—A government-sponsored enterprise (hereafter in this section referred to as a "GSE") shall submit an annual report to the Congress containing the following information:

(1) A list including the name and address of each contractor, consultant, agent, or employee hired by the GSE to engage in—

(A) grass roots organizing or campaigning;

(B) public relations, media consulting, or image advertising; or

(C) lobbying, including the direct and indirect lobbying of the Congress.

(2) An itemization of all costs associated with activities described in paragraph (1) whether incurred by the GSE or by any of its contractors, consultants, agents, or employees listed pursuant to such paragraph, including entertainment expenses, travel expenses, advertising costs, salaries, billing rates and the total amount billed for services.

(3) A description of any lobbying of the Congress or the executive branch by employees, board members, or officers of the GSE.

(4) A description of any effort by the GSE or its agents to encourage others to lobby the Congress or the executive branch.

(5) A list of all charitable donations paid by the GSE on behalf of Members of Congress or members of the executive branch.

(6) A list of the salaries and other compensation (including the present value of stock options) and benefits paid to the officers and board members of the GSE.

(7) A list of all GSE employees who have been employed by either the Congress or the Federal Government in the 5 years preceding the report, and such employees' salary prior to being hired by the GSE and their current salary.

(b) DEFINITION OF GOVERNMENT-SPONSORED ENTERPRISE.—For the purposes of this section, the term "government-sponsored enterprise" means—

(1) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, and

(2) a guaranty agency, as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j)).

**SEC. 21. LIMITS ON ACCEPTANCE OF GIFTS, MEALS AND TRAVEL.**

It is the sense of the Senate that, as soon as possible during this year's session, the Senate should limit the acceptance of gifts, meals and travel by Members and staff in a manner substantially similar to the restrictions applicable to executive branch officials.

**SEC. 22. DISCLOSURE OF FOREIGN CONTRIBUTIONS.**

It is the sense of the Senate that the conferees on this Act should seek to draft and add to this Act a constitutionally acceptable provision requiring additional disclosure of the contributions of foreign entities to the lobbying activities of registrants, as defined in this Act.

**SEC. 23. EFFECTIVE DATES.**

(a) **IN GENERAL.**—Except as otherwise provided in this section, the provisions of this Act shall take effect 1 year after the date of the enactment of this Act.

(b) **ESTABLISHMENT OF OFFICE.**—The provisions of sections 6 and 17 shall take effect on the date of the enactment of this Act.

(c) **REPEALS AND AMENDMENTS.**—The repeals and amendments made under sections 12, 13, and 14 of this Act shall take effect as provided under subsection (a), except that such repeals and amendments—

(1) shall not affect any proceeding or suit commenced before the effective date under subsection (a), and in all such proceedings or 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; and

(2) shall not affect the requirements of Federal agencies to compile, publish, and retain information filed or received before the effective date of such repeals and amendments.

(d) **REGULATIONS.**—Proposed regulations required to implement this Act shall be published for public comment no later than 270 days after the date of the enactment of this Act. No later than 1 year after the date of the enactment of this Act, final regulations shall be published.

(e) **PHASE-IN PERIOD.**—No penalty shall be assessed by the Director for any noncompliance with this Act which occurs during the first semiannual reporting period after the effective date of this Act.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, first I wish to thank Senator COHEN, the majority leader, the Republican leader, and all those who made possible the passage of this bill. From my staff, Linda Gustitus and Peter Levine have been incredibly involved, and we could not have moved the bill this far without them. Senator COHEN's staff and the Governmental Affairs members, including the chairman, Senator GLENN, and Senator ROTH and others have all played a very important role.

If we could get this bill enacted, it would put to rest one of Washington's oldest problems and that is the patchwork of loopholes and exceptions that currently pass for lobbying laws. There are going to be some bumps on this road to passage. We have to get a bill

passed in the House and probably to conference. But I am optimistic, because the country demands reform in the way we operate here in Washington, that we have at least a fighting chance to get a bill passed finally after four failed attempts since 1948.

Again, my thanks to my colleague, Senator COHEN, the majority leader, and others who worked hard so we could get to this point.

Mr. COHEN. Mr. President, let me take just a moment to offer my congratulations to the Senator from Michigan. Without his prodigious and, I must say, persistent effort, this bill would not have received passage today. While we labored several days, without his intelligent and guiding hand, ably assisted by the majority leader's big stick, I might say that we would still be here tonight and possibly tomorrow, or well into next week.

This measure is a major step on the road to reform. I am not persuaded that this bill in itself is going to restore the public's confidence in and the integrity of the political process, but it will be one small step toward that end.

I, too, wish to commend Linda Gustitus and Peter Levine of Senator LEVIN's staff and Kim Corthell of my staff for all the work they have put into this effort.

Mr. MITCHELL. Mr. President, I offer my congratulations to Senators LEVIN and COHEN for a very successful, difficult, and vigorous effort on this important legislation.

They have worked at this for a number of years. It is significant reform. It would not have occurred but for their combined thoughtful and bipartisan leadership. And I thank them both in behalf of all Members of the Senate for the effective way in which they managed the bill.

**MORNING BUSINESS**

Mr. MITCHELL. Mr. President, I now ask unanimous consent that there be a period for morning business to extend until the hour of 5:30 p.m. with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri [Mr. BOND] is recognized.

Mr. BOND. Mr. President, I thank the Chair. I thank the majority leader.

(The remarks of Mr. BOND pertaining to the introduction of S. 917 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

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

The Senator from Massachusetts is recognized.

**NATIONAL SERVICE TRUST FUND ACT OF 1993 AND THE STUDENT LOAN REFORM ACT OF 1993**

Mr. KENNEDY. Mr. President, it is a privilege to introduce two bills with bipartisan support that represent a new approach to community service and educational opportunity in this country: The National Service Trust Fund Act of 1993 and the Student Loan Reform Act of 1993. These measures, proposed by President Clinton, combine two types of Federal support to tap the energy and the ideals of our greatest resource, the young men and women of America.

Under the direct lending bill, student loans for education will be cheaper and simpler to obtain, and easier to repay. Because students will be able to repay loans as a percentage of their income, it will be possible for many of them to pursue careers and to take lower paying jobs they prefer, including careers in public service and community service.

Under the national service bill, individuals will be encouraged to direct their energy, ideals, and talents into their communities.

I am particularly pleased that service learning is a key element of the national service bill. Service learning is a genuine innovation in K-12 education. It enables teachers to take the classroom into the community. It makes their projects a laboratory for both learning and service.

The National Service Trust Act of 1993 builds on the fabric of national and community service programs that already exist and provides a range of service opportunities for young and old alike.

The fashion today is for too many Americans to blame the problems of their communities on others. We must empower citizens to look within themselves, and develop their individual and collective capacity to solve vexing local issues. Participation and involvement of citizens are the touchstones of democracy, and this legislation is designed to develop innovative ways to encourage such service and transform the life of the community.

The National Service Trust Act of 1993 supports five vital streams of service:

School-based and community-based service learning programs will give students in grades K-12 educational experiences while performing community service.

College-based programs will enable students to bring the concept of service

into their academic courses and extra-curricular projects.

Full-time and part-time stipends will be available to individuals for service in their communities.

Older American Volunteer programs will involve senior citizens in full-time and part-time community service.

Innovative programs will test new approaches to such service.

School-based and community-based service learning programs are the heart of any service program. They make service a part of people's daily lives, and stimulate new dimensions of learning. Students who monitor the pollution of a streambed are motivated to learn more about science. Fourth graders reading to senior citizens or writing down their stories acquire new skills in speaking, writing, and communication.

Service learning experiments are also part of school reform. They draw schools closer to their communities and tap the energy of residents to revitalize their neighborhoods. They raise students' educational achievement. High schools undertaking service learning programs in Pennsylvania, for example, report fewer dropouts and more college applicants.

Funding for the first year of the program will enable over half a million young Americans ages 5-17 to engage to participate in service programs. By the fourth year, several million young persons will have opportunities to serve.

Higher education-based programs are an equally essential part of the bill. Service-based classes can test academic ideas in the surrounding community. Extra-curricular service projects can add a new dimension to college experience, and make students more employable when they graduate. The National Service Trust Act will enable 100,000 college students to have service experiences in the first year.

The third major component of the bill is the full-time and part-time program to establish a domestic Peace Corps. It will offer an opportunity to 25,000 Americans in the first year and up to 150,000 in the fourth year to help pay for college or job training. Participants will help communities deal with unmet needs in areas such as the environment, public safety, and providing social services. Safeguards are included to prevent displacing or duplicating the functions of existing workers.

This component of the bill will include proven Federal programs such as VISTA, newer experiments such as the revival of the CCC, and a wide range of worthwhile State and local initiatives, such as Youthbuild and City Year in Massachusetts and the California Conservation Corps.

The component for senior citizens will build on the success of the Retired Senior Volunteer Program, which reimburses senior citizens for out-of-pocket costs when they volunteer their

talents and experience to their communities. The Foster Grandparents Program encourages low-income persons over 60 to care for children at risk. The Senior Companion Program involves senior citizens in helping one another.

The act builds in strict guidelines to increase quality. Programs will compete to be creative in employing the talents and time of participating. Requirements of matching local and State resources will stretch Federal dollars further.

The second major bill, the Student Loan Reform Act of 1993, will revise the current college student loan program. Its goal is to achieve a full direct student loan program by 1998. The shift from the present system will take place slowly and cautiously. A small number of schools will participate in the early years, to ensure that the new program is a success.

Under direct lending, schools will be permitted to originate their own loans or use an alternative source. Schools themselves will not service the loans. Instead, the loans will be serviced largely by the existing entities on a competitive basis.

The result will be to lower the interest rate charged to students by approximately half of 1 percent, saving students hundreds or even thousands of dollars over the life of a loan.

Government subsidies to banks and other private entities will be eliminated, saving taxpayers billions of dollars.

EXCEL accounts will allow borrowers to repay their loans as a percentage of their income, permitting them to pursue lower paying careers in public service or other areas.

A range of other repayment options will be available, including lower fixed payments and graduated repayment plans.

The act will also streamline the system, and make it easier to audit and monitor. One stop student loans will enable students to receive all their financial aid through the existing aid offices. Schools will have only one form to use and one entity to deal with. Colleges, alternative loan originators, loan servicers, and the Department of Education will share data and develop a well-coordinated data system.

The Congressional Budget Office estimates that the shift to direct loans will save the Government \$4 billion in the next 5 years. The current system is a wasteful and inefficient method of providing college aid, and it is long past time for it to be replaced.

Mr. President, I want to commend the efforts of our colleagues and friends, the Senator from Illinois, Senator SIMON, Senator DURENBERGER from Minnesota, both who have been strong supporters, as well as Senator BRADLEY. The direct loan program has been a bipartisan effort. We are enormously grateful for their efforts in the

past, including when we were debating the higher education bill last year.

I also want to commend the other original cosponsors of the direct lending program: Senator RIEGLE, Senator WELLSTONE, and Senator LIEBERMAN. In the National Service Trust Act there are a number of Republicans: Senator DURENBERGER, Senator JEFFORDS, Senator SPECTER, and Senator CHAFEE.

We have an excellent, broad-based group of Members on our side, as well as on the Republican side, and we have made and will continue to make every effort to ensure that the concept and idea of service, which is so ingrained in the American value system, will be reflected in this legislation, through the informed wisdom of Republicans and Democrats alike. That is certainly our intention.

We are off to a good start, and I hope we will be able to build further support as the legislation proceeds in the committee and then on the floor.

Before concluding, I see my friend and colleague, Senator HARRIS WOFFORD, who has been a key figure in providing leadership in the service program. Testified as a Pennsylvania State official before our Human Resource Committee when we were looking at the community service program some 2 years ago. His testimony was indispensable in developing many of the features of the National and Community Service Act of 1990. He has had wide experience in this area, dating back to the original development of the Peace Corps. I think all of us in this body understand what an enormously important contribution he had made and continues to make in promoting national and community service. I welcome, and I think all of us welcome, his comments on these measures this afternoon.

Mr. President, before yielding the floor to Senator WOFFORD, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 919

*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.

- 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. 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.

**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, 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.

"(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 or income, 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) 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

"(7) 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) 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 Service 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.—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.

"(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 capabilities, ages, ethnic backgrounds, or genders.

"(2) A youth corps program, 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 youths and young adults between the ages of 16 and 25, inclusive, including out-of-school youths and other disadvantaged youths 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 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 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 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 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.

"(12) 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 who are experts regarding national service 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.

"(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 not-for-profit 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 may make appropriate technical assistance available to States, labor organizations, organizations operated by young adults, 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 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 to involve youth corps programs described in section 122(a)(2) and other programs that receive assistance under the national service laws in disaster relief efforts.

"(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.

"(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) 33½ 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, 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 33½ 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) EXCEPTION.—If the total number of approved national service positions to be available for distribution under subsections (a) and (d) for a fiscal year does not exceed 200 percent of the number of such positions that would be required to satisfy paragraph (1) for that fiscal year, the Corporation shall not reserve the national service educational award for individuals described in such paragraph who are selected during that fiscal year.

"(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. 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 33½ 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 not-for-profit 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).

**"(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 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 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 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 the labor organization 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.

**"(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 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.

"(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 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; 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 the community served, community-based 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) 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 124 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 they 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(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 not-for-profit 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) 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) has received a high school diploma or its equivalent or 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; 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.

#### “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, and other appropriate entities, particularly those organizations that provide outreach to disadvantaged youths.

“(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, or as participants in national service programs receiving assistance under section 121.

“(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 not less than 1 year and not more than 2 years.

“(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).

"(5) TREATMENT OF LIVING ALLOWANCE.—The amount provided as a living allowance under this subsection, up to the maximum living allowance authorized by paragraph (3), 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. Nothing in the preceding sentence shall be construed to exclude amounts received as a living allowance from gross income under section 61 of the Internal Revenue Code of 1986 (26 U.S.C. 61).

"(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 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.—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.

"(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) 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 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. Required terms of service of national service participants.

"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 (e);

"(2) any amounts received by the Corporation as gifts, bequests, devise, or otherwise pursuant to section 192(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 edu-

cational 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 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; 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 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; and

"(C) 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.

"(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) DEFINITION OF QUALIFIED STUDENT LOANS.—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.).

"(7) DEFINITION OF 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 his or her national service educational award to the payment of current 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 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. 108711); 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)(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) TREATMENT OF BENEFITS.—Notwithstanding any other provision of law, national service awards and other benefits received under this section 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. The amount of any national service award or other benefits received under this section shall not be considered income for purposes of the Internal Revenue Code of 1986.

“(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”;

(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.); and

(C) by adding at the end the following new subsection:

“(h) TREATMENT OF BENEFITS.—Notwithstanding any other provision of law, the amount of any loan repaid by the Secretary under this section 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. The amount of any loan repaid by the Secretary under this section shall not be considered income for purposes of the Internal Revenue Code of 1986.”

(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 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 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 effec-

tiveness 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 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 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 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 Chairperson 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) 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 involvement 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 nonduplication 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 nondisplacement 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 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 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 not-for-profit 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, 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 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 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 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 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 nonduplication 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 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(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 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 under subtitle B or C for rural youth;

"(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 may 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 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.

**"SEC. 198A. CLEARINGHOUSES.**

"(a) **ASSISTANCE.**—The Corporation shall provide assistance to appropriate entities to establish one or more clearinghouses, includ-

ing 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."

(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."

(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) 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 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 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 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) 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 not-for-profit 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 between the ages of 5 and 17, inclusive.

"(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 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, 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 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 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 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”; 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 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 paragraphs (1) and (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 13 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) A national service program, such as a youth corps program, a service program for school-age youth, and a program in which older Americans are participants.

“(B) Local governments in the State.

“(C) 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.

“(B) Members selected from among participants in service programs who are youths.

“(C) Members selected from among 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.

“(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 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 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) covers a 3-year period;

"(B) is updated annually; and

"(C) 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) 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 or 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 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 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 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 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) 11 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 6 appointed members of the Board are from a single political party.

"(3) INITIAL MEMBERS.—No fewer than 8 of the members first appointed to the Board after the date of enactment of this section shall be appointed from among individuals who served on the Board of Directors of the Commission on National and Community Service.

"(4) 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 3 years, except that 4 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 4 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) 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.

"(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, in-

cluding 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.

“(f) 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.

“(g) 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 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.

“(h) DUTIES.—The Board shall—

“(1) 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;

“(2) 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 described in paragraph (1), and with respect to such standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act;

“(3) make recommendations with respect to the regulations established under section 195(a)(3)(B)(i);

“(4)(A) review the actions of the Chairperson with respect to the personnel of the Corporation, and with respect to the standards, policies, procedures, programs, and initiatives; 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 (2) or the recommendations described in paragraph (3), or are not consistent with the objectives of this Act;

“(5) receive, and act on, the reports issued by the Inspector General of the Corporation;

“(6) arrange for the evaluation of programs established under this Act, in accordance with section 179;

“(7) provide for research with respect to national and community service programs, including service-learning programs;

“(8) advise the President and the Congress concerning developments in national and community service that merit the attention of the President and the Congress;

“(9) disseminate information regarding the programs and initiatives of the Corporation; and

“(10) carry out any other activities determined to be appropriate by the Chairperson.

“(i) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.

#### “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 described in section 192A(h)(1), 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.—

"(1) OFFICE.—There shall be in the Corporation an Office of the Inspector General.

"(2) APPOINTMENT.—

"(A) IN GENERAL.—The Office shall be headed by an Inspector General, appointed by the President, by and with the consent of the Senate.

"(B) REPORTING.—The Inspector General shall report directly to the oversight committee.

"(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) 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(2) of such Act; and

"(ii) except as provided in paragraph (2)(A), the oversight committee shall be considered to be the head of the designated Federal entity, as defined in section 8E(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 oversight committee 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.

"(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. 195. EMPLOYEES, CONSULTANTS, AND OTHER PERSONNEL.

"(a) EMPLOYEES.—

"(1) IN GENERAL.—The Chairperson may appoint and determine the compensation of such employees as the Chairperson determines to be 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 Chairperson 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 if the Chairperson determines that such an extension is necessary to ensure the continuity of functions under this Act.

"(C) APPOINTMENT IN THE COMPETITIVE SERVICE AFTER EMPLOYMENT IN THE CORPORATION.—

"(i) EMPLOYEES WITH NOT LESS THAN 3 YEARS OF EMPLOYMENT.—If an employee, other than a representative described in section 195(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.

"(ii) EMPLOYEES WITH NOT LESS THAN 1 BUT LESS THAN 3 YEARS OF EMPLOYMENT.—If an employee, other than a representative described in section 195(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.

"(iii) 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 subparagraphs (B)(iv) and (C)(ii), the Chair-

person 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 Chairperson, after consultation with the Director of the Office of Personnel Management and after reviewing the recommendations of the Board under section 192A(h)(3), shall issue regulations establishing selection and compensation systems for the Corporation. In issuing such regulations, the Chairperson shall take into consideration the need for flexibility in such a system.

"(ii) APPLICATION.—The Chairperson shall appoint and determine the compensation of employees referred to in paragraph (1), other than representatives described in section 195(b), 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.

"(C) SELECTION AND COMPENSATION OF CORPORATION REPRESENTATIVES.—

"(i) IN GENERAL.—The Chairperson may appoint and determine the compensation of representatives described in section 195(b) without regard to the selection and compensation systems described in subparagraph (B).

"(ii) LIMITATION ON COMPENSATION.—The rate of compensation for each representative described in section 195(b) 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.

"(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; 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 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 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.

"(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 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.

"(e) 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, in accordance with subsection (a)(3)(A), and without regard to the selection and compensation systems described in subsection (a)(3)(B). Such compensation shall not exceed the rate described in subsection (a)(3)(C)(i).

#### "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—

"(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.

"(2) PROPERTY.—The Corporation may solicit, 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.

"(3) RULES.—The Chairperson shall establish written rules setting forth the criteria to ensure that the solicitation or 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."

"(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 formed.

(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) JOB SEARCH ASSISTANCE.—The Chairperson 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 Service under section 203(c).

(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."

(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 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)."

(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

"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. 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. 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 (2) and (4) of section 192A(h), section 193(c), subsections (b), (c) (other than paragraph (8)), and (d) of section 193A, subsections (a), (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(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 (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 "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 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 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 other-

wise 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 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 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 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 1998.

"(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 1998. 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 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"; 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. 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 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).

##### 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.**

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 pro-

grams. 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 the Act 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 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 projects, or any of a variety of other 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.**

Section 211(d) (42 U.S.C. 5011(d)) is amended 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."

**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 "(1)" and inserting "(1)(A)"; 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."

(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."

(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), by striking "(1)"; and

(B) by striking paragraph (2).

#### SEC. 352. DEMONSTRATION PROGRAMS.

Title II 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 those currently 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: "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. 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 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 (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 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(f) 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(1)."

(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 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(1) or section 8422(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, \$40,000,000 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, such sums as may be necessary for each of the fiscal years 1994 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 nec-

essary 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, \$35,800,000 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, \$68,800,000 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, \$31,700,000 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. 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.

**"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. 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 Services 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 421(11) 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 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.—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".

(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 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 (6) and inserting the following new paragraph:

"(6) the term 'Director' means the Chairperson and Director of the Corporation for National 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 Chairperson 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 ACTION;

"(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 "Commission on National and Community Service" 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 "Chairperson"; and

(B) in subparagraph (B)(iii), by striking "the Board through the Executive Director".

(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 (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.

#### NATIONAL SERVICE TRUST ACT OF 1993

##### SUMMARY

The National Service Trust Act of 1993 has four titles.

Title I contains programs: the new national service program offering educational awards in return for service; amendments to service programs for school-age youth and students in institutions of higher education; and an investment fund to promote quality and innovation in programming. Title I amends the National and Community Service Act of 1990 ("NCSA").

Title II establishes the organizational framework for these programs: State Commissions on National Service and a Federal Corporation for National Service. Title II also amends the NCSA.

Title III reauthorizes the NCSA and the Domestic Volunteer Service Act of 1973 ("DVSA"), amends DVSA and authorizes appropriations for titles I and II of the Act.

Title IV contains the technical and conforming amendments.

##### SECTION-BY-SECTION SUMMARY

Section 1. Short Title and Table of Contents.

The short title of the bill is the National Service Trust Act of 1993.

Section 2. Findings and Purposes.

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) 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.

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 or income, 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) 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

(7) provide tangible benefits to the communities in which national service is performed.

TITLE I—PROGRAMS AND RELATED PROVISIONS

##### Subtitle A—Programs

Section 101. Federal Investment in Support of National Service.

Section 101 replaces Subtitle C of the NCSA with a new National Service Program.

##### Subtitle C—National Service Program

Part I—Investment in National Service

Section 121.<sup>1</sup> Authority To Provide Assistance and Approved National Service Positions.

The Corporation for National Service ("Corporation") may provide assistance to organizations in order to carry out, or make grants to carry out, national service programs. The Corporation will provide educational awards to participants of any program that receives such program assistance. Organizations eligible to apply for assistance to carry out programs include nonprofit organizations, institutions of higher education, school districts, local governments, States and Federal agencies.

Not more than 5 percent of program assistance may be used for administrative costs.

Federal assistance to programs under section 121, exclusive of stipends and health and child care assistance (covered in section 140), may not exceed 75 percent of total program costs. The program will provide the other 25 percent in cash or in kind. If inadequate financial resources are available at the local level, the Corporation may waive this match requirement and the other match requirements contained in section 140.

Section 122. Types of National Service Programs Eligible for Program Assistance.

A variety of national service programs will be eligible to receive funding. Programs will provide opportunities for full- or part-time service that meets unmet human, educational, environmental or public safety needs. Section 122 lists a number of examples of qualified programs, to which the Corporation may add others: (1) diverse community corps; (2) youth corps; (3) service-learning programs; (4) specialized services programs; (5) individualized placement programs with regular group activities; (6) campus-based programs; (7) preprofessional programs with summer training while in college; (8) professional corps; (9) youthbuild programs; (10) national service entrepreneurship programs; (11) intergenerational programs.

In consultation with experts in the fields, the Corporation will establish different quality criteria for different types of programs. The Corporation's criteria will apply to all grants made under the Act, including grants by States and other programs operating sub-granting programs.

To focus national service programs on meeting particular needs and for other purposes consistent with the Act, the Corporation may establish priorities for the types of national service programs to be assisted. The Corporation will provide prompt notice of these priorities and any changes in these priorities.

Section 123. Types of National Service Positions Eligible for Approval for National Service Educational Awards.

All participants in programs that receive assistance will receive educational awards.

<sup>1</sup>Italic section numbers indicate sections of this Act. Non-italic section numbers indicate amended sections of the National and Community Service.

In addition, participants in certain other service programs will be eligible for educational awards. The following categories, to which the Corporation may add others, will be eligible to receive educational awards (1) positions as participants in programs receiving assistance under Section 121; (2) positions in approved national service programs not receiving assistance; (3) positions as VISTA volunteers; (4) positions as service-learning coordinators in programs receiving assistance under the Serve-America program; (5) positions in the Civilian Conservation Corps; (6) positions as crew leaders in youth corps programs or other similar positions in national service programs.

#### Section 124. Types of Program Assistance.

The Corporation may make several kinds of grants. Nonrenewable planning grants will be available for one year. Renewable operating grants and renewable replication grants will be available for up to three years. States and other organizations operating grant programs may provide the same types of assistance through subgrants.

#### Section 125. Training and Technical Assistance.

The Corporation is authorized to provide training and technical assistance, either directly, or by grant or contract. Training programs will help national service programs meet unmet needs, develop leaders, instill an ethic of civic responsibility in participants, improve their own management and budgetary skills, and enhance the training of participants. Technical assistance will help applicants develop programs and apply for assistance.

#### Section 126. Other Special Assistance.

The Corporation may also provide assistance for several other purposes. The Corporation is authorized to provide assistance to a State to establish and operate a State Commission. Corporation assistance will provide 85 percent of the total cost of a Commission in the first year, declining at a rate determined by the Corporation to not more than 50 percent of the total cost in the fifth and any subsequent year.

The Corporation may provide assistance to corps and other national service programs in order to provide disaster relief.

The Corporation may make challenge grants that offer \$1 of assistance for each \$1 in cash raised by a national service program from private sources. The Corporation will establish a ceiling on the amount of assistance through challenge grants, and establish criteria to ensure that they are made widely available to a variety of high-quality programs.

Section 129(c) establishes a limit on appropriations for challenge grants of \$10,000,000 in a fiscal year.

#### Part II—Application and Approval Process

##### Section 129. Provision of Assistance and Approved National Service Positions by Competitive and Other Means.

National service programs must apply to the Corporation through State Commissions on National Service ("State Commissions") or directly. The Corporation may only distribute such funds as are available in each fiscal year. Funds allocated for educational awards will be maintained in a separate National Service Trust and will not be available for program expenses.

Program funds and educational awards will be made available in three ways: (a) by formula to States; (b) competitively to States; and (c) competitively to entities (including States) applying directly to the Corporation.

(a) One-third of program assistance and a corresponding number of educational awards,

will be allocated to States based on population (one percent of all program assistance will be reserved for Indian tribes and territories).

(b) Not less than one-third of program assistance and a corresponding number of approved positions will be available to States on a competitive basis. With their applications for formula funding, States may include an application for additional competitive funding.

(c) Up to one-third of program assistance and a corresponding number of approved positions funds will be allocated competitively by the Corporation. Priorities for funds allocated under this section are contained in section 133.

Participants in programs operated directly by the Corporation—VISTA and the Civilian Community Corps—will automatically receive educational awards in any year when the total number of educational awards is at least twice the total number of such participants.

Individuals, corporations, foundations or other entities may sponsor approved positions in designated areas. Such sponsored positions will not be taken into account when the Corporation allocates Federally-funded positions, and such funds will be deposited in the National Service Trust.

If a State does not apply to the Corporation for an allocation, the Corporation may use the funds that the State would have received to make grants in that State and, subsequently, to make grants in other States.

##### Section 130. Application for Assistance and Approved National Service Positions.

In order to be eligible for program assistance and approved positions, entities must submit applications either to State Commissions or directly to the Corporation. The Corporation may set reasonable deadlines and require reasonable information to be provided in such applications, including descriptions of: (1) programs to be carried out directly by the applicant; (2) programs selected to receive grants; (3) other funding sources that the program sought to use or used, particularly in the case of application for renewed funding; (4) the extent to which the program will meet unmet needs and directly benefit the community in which projects are performed; (5) the plan to recruit participants, including economically disadvantaged youths, for the programs supported; (6) the manner in which the programs will build on existing programs; (7) the manner in which the program will develop an ethic of civic responsibility in participants; improve the lives of participants through training, meaningful service experiences, and opportunities to reflect on those experiences; and offer participants opportunities to design and lead programs; (8) measurable goals for meeting unmet needs and providing a meaningful service experience, and a strategy to meet those goals; (9) the extent to which the program meets the national service priorities established under section 122(c); (10) the past experience of the applicant; (11) the type and number of national service positions that the participant requests; (12) the extent to which participants, representatives of the community served, community-based organizations and labor organizations contributed to the program's development, including the identity of the labor representative and the nature of the consultation with him or her; and (13) such other information as the Corporation may require.

In the case of applications for educational awards that do not request program assist-

ance, the Corporation may require special application requirements.

In general, State Commissions will submit applications on behalf of States. In submitting these applications, State Commissions must provide an assurance that they have selected all programs on a competitive basis. They must also provide an assurance that not less than 60 percent of assistance is provided to programs that are run by the State. In the event that insufficient qualified applications are submitted by non-State applicants, additional funds may be requested for programs administered directly by the State.

An application shall include written concurrence from any local labor organization representing employees of the applicant who are engaged in the same or substantially similar work as the work proposed to be carried out.

The Corporation will reject the application of a program if another application of the program is already pending before the Corporation.

##### Section 131. National Service Program Assistance Requirements.

In order to be eligible for assistance, programs must provide assistances regarding: (1) the positive impact of service on communities and compliance with the nondisplacement and nonduplication requirements of section 177; (2) the positive impact of service on participants; (3) broad consultation with representatives of the community served and community-based organizations there; labor organizations representing employees engaged in similar work, to ensure compliance with nondisplacement provisions; and, in the case of programs not funded through the States, the State Commission for the State where the program is located; (4) development of performance goals, arrangement of an independent evaluation, and compliance with evaluation requirements; (5) provisions of a living allowance; (6) willingness to select some participants from among prospective participants recruited at the State and national level under section 138(c), including the national leadership pool recruited and trained by the Corporation.

##### Section 132. Ineligible Service Categories.

National service programs may not provide direct benefits to businesses organized for profit, labor unions, or partisan political organizations. Benefits may be provided to religious organizations only if assistance is not used for and participants do not provide religious instruction, conduct worship services, or proselytize.

##### Section 133. Consideration of Applications.

The Corporation, States, and other applicants operating subgrants programs will use the following criteria in determining whether to provide assistance and approved slots to programs: (1) program quality; (2) innovation and replicability; (3) sustainability; (4) leadership quality, past performance, and the extent to which new programs build on existing programs; (5) involvement of participants and community residents in program design, leadership and operations; (6) the extent to which programs are in areas that most need them, such as enterprise zones, environmentally distressed areas, or areas adversely affected by reductions in defense spending; (7) in the case of applicants other than States, consistency with applications under section 130 of the State in which projects would be funded; and (8) other criteria established by the Corporation.

The Corporation will also ensure that programs receiving assistance are geographically diverse and in urban and rural areas of

States with the highest rates of poverty. Among programs applying directly to the Corporation, the Corporation may designate certain programs for priority consideration, such as: (1) programs carried out by other Federal agencies; (2) programs addressing national priorities; (3) innovative programs; (4) private non-profit programs which would replicate in several States a model already operating in at least one State; (5) national grant programs operated by nonprofit organizations with established expertise in national service or in providing particular services; and (6) professional corps.

If the Corporation rejects the application of a State Commission, the Corporation will promptly notify the Commission of the reasons for the rejection. The Corporation must then provide the Commission with reasonable opportunity to revise and resubmit the application, and with technical assistance if the Commission requests. If the request of a State Commission is again rejected, the Corporation may reallocate funds to make grants directly to programs in that State and, subsequently, to programs in other States.

### Part III—National Service Participants

#### Section 137. Description of Participants.

In order to participate in a national service program, an individual must in general be 17 years of age or older, a citizen or permanent resident, have a high school diploma or agree to obtain one while serving, meet eligibility requirements for the particular program, and be selected by that program.

Out-of-school youths ages 16 to 25 are eligible to participate in youth corps or youthbuild programs.

#### Section 138. Selection of National Service Participants.

In general, a program that receives assistance or approved positions will be responsible for selecting participants. In addition to ensuring that participants satisfy eligibility requirements under section 137, programs must select participants without regard to political affiliation, race, color, national origin, sex, age, or disability.

Participants may serve for a second term of service only if they have satisfactorily completed their first term of service.

While individual programs will be responsible for most recruiting, the Corporation and State Commissions will establish a recruiting and placement system from which programs may be required to recruit a portion of their participants under section 131(f). The Corporation and State Commissions will also disseminate information about national service through cooperation with secondary schools, institutions of higher education, employment service offices, and other appropriate entities, particularly those that provide outreach to disadvantaged youths.

From among individuals it recruits, the Corporation will establish a national leadership pool and training program. The Corporation will make special efforts to include in the leadership pool individuals who have served in the Peace Corps, as VISTA volunteers, or in national service programs assisted under section 121. The Corporation will assign these leaders to national service programs that request them, in order to lead the programs in ways not carried out by regular participants.

#### Section 139. Terms of Service.

In general, in order to receive an educational award, an individual must serve either full-time (not less than 1,700 hours over 9 months to 1 year) or part-time (not less

than 1,700 hours over 1 to 2 years). The Corporation is authorized to develop guidelines for part-time participants to complete fewer hours of service and receive a correspondingly smaller education award.

Participants may be released by recipients of assistance from completing a term of service for compelling personal reasons or for cause. Participants released for compelling personal reasons may be eligible for partial educational awards; participants released for cause are not eligible for awards.

#### Section 140. Living allowances for national service participants.

All programs must provide living allowances within specified guidelines. The provisions are designed to permit a great deal of flexibility in designing programs which are attractive and accessible to a wide range of potential participants in widely differing economic circumstances, including college graduates, high school graduates, and high school drop-outs who enroll in high school equivalency programs.

The Corporation will support 85 percent of the living allowances up to the total amount of the VISTA average annual subsistence allowance, which is comparable to a minimum age stipend. For living allowances up to the VISTA average annual subsistence allowance, the program must provide the other 15 percent.

Programs may offer stipends up to twice this target stipend level, but the Corporation will not match any amount in excess of the total of the VISTA subsistence allowance.

Living allowances may be prorated in the case of part-time participants who serve a reduced term of service. Living allowances will not count in determining eligibility for any benefits or assistance.

To encourage professional corps in underserved communities, programs may provide living allowances above 200 percent of the VISTA living allowance and stipend. In such instances, however, the Corporation will provide no contributions toward such stipends, and applications for this assistance will be approved by the Corporation on a case-by-case basis.

The Corporation will also provide assistance to pay 85 percent of the cost of a basic health insurance policy for each full-time participant who is not otherwise covered by a health insurance policy. The Corporation will establish the contents of the basic health insurance policy. The program must pay the other 15 percent of health care premium costs.

The Corporation will also make child care or a child care allowance available for full-time participants who require such services. The Corporation will establish guidelines for the availability of child care.

The Corporation may waive the limitations on the Federal share in this section due to lack of available financial resources for a program.

#### Section 141. National Service Educational Awards.

In general, a participant in a national service program will be eligible for an educational award if he or she serves in an approved position and satisfies eligibility requirements under section 146. VISTA volunteers shall not be eligible to receive awards if they accept the VISTA readjustment allowance.

#### Section 102. National Service Trust and provision of national service educational awards.

Section 102 replaces Subtitle D of the NCSA with the National Service Trust.

#### Subtitle D—National Service Trust and Provision of National Service Educational Awards

##### Section 145. Establishment of the National Service Trust.

The National Service Trust is established as an account in the United States Treasury. Funds in the Trust are available for educational awards. The Trust consists of: (1) amounts designated by the Corporation for educational awards, and for payment of interest expenses under section (e), from amounts appropriated to the Corporation and made available for this subtitle; (2) amounts received by the Corporation as gifts, bequests, or in other such ways; and (3) interest on, and proceeds from sale or redemption of, any obligations held by the Trust.

The Secretary of the Treasury will invest amounts appropriated to the Trust in interest-bearing obligations.

The Corporation will report to Congress every year on the financial status of the Trust.

#### Section 146. Individuals Eligible to Receive a National Service Educational Award from the Trust.

Individuals who complete a term of service in approved national service positions will be eligible for an educational award for each of up to two terms of service. Individuals may participate in programs for more than two terms, but will not be eligible for educational awards after the second term of service.

Awards must be used within five years after the completion of service. The Corporation may waive this requirement if an individual was unavoidably prevented from using the award or performed another term of service during that period.

#### Section 147. Determination of the Amount of the National Service Educational Award.

Educational awards of \$5,000 will be provided for each term of service. For individuals released from service for compelling personal reasons, a partial award will be available.

#### Section 148. Disbursement of National Service Educational Awards.

Individuals may use educational awards to repay student loans, to pay for attendance at an institution of higher education, or to pay for expenses in an approved school-to-work program.

An individual who wants to use his or her educational award to repay loans will submit an application, in a manner prescribed by the Corporation, that identifies or enables the Corporation easily to identify the holder of the loan, the outstanding principal and interest, and other basic information. The Corporation will then disburse to the holder the amount to which the individual is entitled. The Corporation may require verification by the lender, and may aggregate payments to holders.

Loans made, insured, or guaranteed under title IV of the Higher Education Act ("HEA"), other than a loan to a parent under section 428B of the Act, and loans made under title VII or VIII of the Public Health Service Act, will be eligible for repayment.

During the period of service, interest on loans will be deferred. At the completion of a participant's year of service, the Corporation may by regulation prescribe for payment of accrued interest. Such regulations will be prescribed after consultation with the Secretary of Education.

An individual who intends to use an educational award to pay current educational ex-

penses must verify eligibility through an eligible institution of higher education. Institutions designated by these individuals will notify the Corporation of the names of those students and the amounts of educational awards that will be claimed. In order to be eligible, these institutions must also verify participation in programs under section 487 of the HEA.

The Corporation will disburse the amount for which eligible individuals have qualified, provided that combined with federal means tested grant assistance and veterans' education benefits, such payments do not exceed the cost of attendance. Disbursements will be made in at least two installments, with the interval between first and second to be not less than half of the enrollment period. Institutions will be required to refund amounts disbursed for individuals who do not complete their periods of enrollment at those institutions.

The Corporation will establish regulations for the payment of national service awards to individuals who participate in school-to-work programs approved by the Secretaries of Labor and Education.

National service awards will not be taken into account in determining eligibility for any federal means-tested benefits or be considered taxable income.

This section amends the Stafford loan forgiveness provisions in existing law to make such forgiveness available to individuals who were new borrowers after October 1, 1989, and provides that such loan forgiveness will not be taken into account in determining eligibility for any federal means-tested benefits or be considered taxable income.

#### Section 103. School-based and Community-based Service Learning Programs.

The section strikes Subtitle B, Part I of the National and Community Service Act and replaces it with a similar program that differs from existing law in the following ways: by authorizing planning grants to local educational agencies to recruit and train, or support, service-learning coordinators; eliminating authority within existing Serve-America program for grants by the State Educational Agency for community service programs for school dropouts and out-of-school youth; authorizing the Corporation to make grants to existing public or private non-profit organizations that will make subgrants to eligible organizations for service-learning programs; authorizing the Corporation to reserve up to 25 percent of appropriated funds to make competitive grants to States or existing public or private non-profit organizations that will make subgrants; modifying allocation of funds requirements; and making other improvements.

The section further authorizes the Corporation to provide assistance through State Commissions for community-based programs involving school-age youth (including school dropouts and out-of-school youth) in community service.

The section further amends Subtitle B, Part II of the National and Community Service Act by adding priority criteria to be considered by the Corporation in allocating funds under the Higher Education Innovative Projects, and making other improvements.

#### Section 104. Quality and Innovation Activities.

Section 104 repeals subtitle E of Title I of the National and Community Service Act, rennumbers the Act, and authorizes an investments for quality and innovation. Activities authorized for funding include: support for innovative and model programs, support for

summer programs; provision of training and technical assistance to community-based agencies that are service sponsors; provision of training and technical assistance in applying for assistance; national service fellowships; conferences and materials; Peace Corps and VISTA training; promotion and recruitment; provision of training for participants and supervisors; research; intergenerational support; planning coordination; activities to promote youth leadership; development of a national program identity; clearinghouses; service-learning; and Presidential awards. The section also makes a series of technical and conforming amendments, including an extension of authority under section 1092(c) of the National Defense Authorization Act for Fiscal Year 1993.

#### Subtitle B—Related Provisions

##### Section III. Definitions.

The section provides definitions of terms used in the National and Community Service Act and makes a series of technical and conforming amendments.

##### Section 112. Authority to Make Grants.

Repeals section 102 of the NCSA.

##### Section 113. Family and Medical Leave.

Provides that participants are employees of service sponsors for purposes of the Family and Medical Leave Act of 1993.

##### Section 114. Reports.

Provides that NCSA reporting requirements apply to both NCSA and DVSA.

##### Section 115. Nondiscrimination.

Amends nondiscrimination provisions of NCSA to conform to the Americans with Disabilities Act.

##### Section 116. Notice, Hearing and Grievance Procedures.

Amends administrative provisions of NCSA to provide a process for decertification of approved national service provisions and to clarify grievance procedures.

##### Section 117. Nondisplacement.

Amends the nondisplacement provisions of NCSA to protect employees with recall rights pursuant to a collective bargaining or personnel procedure.

##### Section 118. Evaluation.

Provides that NCSA evaluation requirements apply to both NCSA and DVSA.

##### Sections 119–121. Conforming Amendments.

Make conforming amendments.

#### TITLE II—ORGANIZATION

##### Section 201. State Commissions on National Service.

Section 201 replaces section 178 of the NCSA, describing State advisory and in general requires the establishment of State Commissions.

##### Section 178. State Commissions on National Service.

In order to be eligible for allotments under subtitle B or C, a State must establish a State Commission on National Service. For a transitional period and under other circumstances in which wide participation in policy functions is ensured, the Corporation may recognize already existing State programs as an alternative to the State Commission.

State Commissions will consist of not less than 7 members and not more than 13 members. The Governor of the State will appoint members. There will be at least one representative of national service programs, one representative of local governments in the

State, and one representative of local labor organizations. Other appointments will be made from among the following: representatives of community-based organizations, youth who participate in service, educators, business, or experts in the delivery of human, educational, environmental or public safety services. Not more than 25 percent of Commission members may be employees of State government, though more may sit as non-voting *ex officio* members. A representative of the Corporation will sit on the State Commission.

Not more than 50 percent of the State Commissions plus one member may be from the same political party. To the maximum extent possible, State Commissions should be balanced according to race, ethnic background, age and gender. Members will serve for 3 year terms, with shorter periods at first to ensure staggered terms, and may only receive as compensation reimbursements for travel expenses and per diems. State Commissions will elect a chairperson from among the members of the Commission.

The responsibilities of the State Commission include: (1) preparation of a 3-year national service plan, updated annually; (2) preparation of applications for funds under sections 117B and 130; (3) assistance in the preparation of applications by the State educational agency under section 113; (4) preparation of the application of the State for approved national service provisions under section 130; (5) assistance to programs in providing health care and child care benefits; (6) development of a State recruitment, placement and information dissemination system; (7) administration of the grant program, including selection, oversight and evaluation of grant recipients; (8) development of projects, training methods, curriculum materials, and other activities related to service.

State commissions may not directly operate a national service program. They may delegated nonpolicy duties to a State agency or nonprofit organization, subject to limitations.

In order to establish the eligibility of the State Commission to receive grants, the Governor must notify the Corporation of its composition and authority under State law. The Corporation may reject a State Commission if the Commission does not comply with the requirements of this section. In such instances, the Corporation must notify the State of its reasons, provide technical assistance if requested, and give an opportunity for resubmission.

##### Section 202. Interim authorities of the Corporation for National Service and ACTION agency.

This section amends Subtitle G of Title I of the NCSA.

#### Subtitle G—Corporation for National Service

##### Section 191. Corporation for National Service.

Section 202 establishes a new Corporation for National Service to administer the National Service Program. The Corporation is a Government Corporation as defined in section 103 of title 5, United States Code.

##### Section 192. Board of Directors.

The Board of the Corporation will consist of eleven members, appointed by the President and confirmed by the Senate. Board members will have extensive experience in service and in State government, represent a board range of viewpoints, have expertise in education, environmental, public safety or human services. To the maximum extent practicable, the Board shall be diverse according to race, ethnic background, age and

gender. No more than 6 Board members may be from the same political party.

No fewer than eight initial members of the Board will be appointed from the individuals serving on the Board of Directors of the Commission on National and Community Service. Ten Cabinet members and agency directors will sit on the Corporation Board as *ex officio* members.

Terms will generally be three years, except that certain initial appointments will be for one year or two years in order to stagger terms of service.

*Section 192A. Authorities and Duties of Board of Directors.*

The Board will meet at least three times each year. The Board will elect a Vice-Chairperson from among its members, as well as such other officers that the Board determines to be appropriate.

The Board will establish an Inspector General Oversight Committee, comprised of the Vice Chairperson and two members selected by him or her. The Chairperson shall not serve on the Oversight Committee.

Board members other than the chairperson will be reimbursed only for travel and other business expenses, including a per diem in lieu of subsistence.

Board members who are not otherwise Government employees will be considered special Government employees. Board members will be considered Federal employees for the purposes of tort claims.

The duties of the Board include the following: (1) making grants and allotments of national service positions; (2) preparing for the Corporation a strategic plan every three years, with updates annually; (3) making recommendations with respect to the personnel system; (4) reviewing the actions of the Chairperson with respect to standards, policies, procedures, programs and initiatives, and informing the Chairperson of any deviation from the strategic plan or Board recommendations; (5) receiving and acting on the Inspector General's reports; (6) arranging for evaluations; (7) providing for research; (8) advising the President and Congress on national and community service; (9) disseminating information; (10) other activities determined by the Chairperson.

*Section 193. Chairperson and Director.*

The Chairperson will be appointed by the President and confirmed by the Senate, and compensated at the rate provided for Level III of the Executive Schedule.

The Chairperson will prescribe such rules and regulations as are necessary and appropriate under this Act.

*Section 193A. Authorities and Duties of the Chairperson.*

The Chairperson will be responsible for the exercise of the powers of the Corporation that are not reserved to the Board, including authority and control over personnel.

The Chairperson will: (1) submit to the Board a proposal regarding standards, policies and procedures necessary to carry out this Act; (2) establish programs and initiatives necessary to carry out the Act; (3) consult with other Federal agencies; (4) on the recommendation of the Board, suspend or terminate payments, or decertify programs and approved positions; (5) prepare and submit to the Board an annual report and necessary interim reports describing major actions with respect to personnel and standards, policies, and procedures; (6) notify the Board and explain to the Board any substantial difference between the actions of the Chairperson and the strategic plan recommended by the Board; (7) prepare an an-

nual report for Congress on donated services, money and property, and other matters.

The Chairperson may (1) establish and change the organizational units within the Corporation; (2) with the approval of the President, arrange with and reimburse other Federal agencies for the performance of duties under this Act, or delegate duties to the heads of other Federal agencies; (3) accept or utilize the services and facilities of a Federal agency or State; (4) allocate funds to other Federal agencies as may be necessary to carry out this Act; (5) rent offices and expend Corporation funds to acquire space; and (6) perform other functions necessary to carry out this Act.

The Chairperson is authorized to bring legal actions on behalf of the Corporation.

When programs administered by ACTION are transferred to the Corporation, the Chairperson will assume the duties of the Director of ACTION.

The Chairperson may not delegate a function of the Board without permission of the Board.

*Section 194. Officers.*

There will be two managing directors within the Corporation, one responsible for Federally operated programs and the other responsible for investment programs. The managing directors will be compensated at the rate provided for level IV of the Executive Schedule.

There will be an Inspector General who will report directly to the oversight committee. The Inspector General will be compensated at rate provided for level IV of the Executive Schedule.

There will be a Chief Financial Officer reporting directly to the Chairperson. The Chief Financial Officer will be compensated at level IV of the executive Schedule.

*Section 195. Employees, Consultants, and other Personnel.*

The Corporation will establish a merit-based competitive selection system based on job requirements and applicant qualifications. Except for special circumstances, the personnel of the Corporation may be appointed for terms that do not exceed five years, with renewals for a period not to exceed seven years. Employees will be covered by civil service health and life insurance programs. Employees who transfer or separate after working at the Corporation for three years will be eligible for appointment in the competitive service. Service for one year or more will be treated as a period of service for personnel seeking employment in the competitive service.

After appropriate consultations, the Chairperson will establish the compensation system, which will include pay-for-performance compensation and an upper limit on salaries of Executive Level IV.

The Chairperson may also establish advisory committees to assist in developing quality criteria for programs, outreach programs, or other key elements of the initiative. Members of advisory committees may have only their travel expenses reimbursed.

*Section 196. Administration.*

The Corporation may solicit and accept voluntary services and donations, consistent with reasonable conflict of interest rules. The Corporation may also enter into contracts to carry out this Act.

The functions of the Commission on National and Community Service are transferred to the Corporation on October 1, 1993. The Board of the Commission will continue to serve until such time as the Board of the Corporation is formed.

Job search assistance will be provided for any personnel from ACTION or the Commission who do not become employees of the Corporation.

*Section 203. Final Authorities of the Corporation.*

During a transitional period not to exceed 18 months after the date of enactment, the Corporation, together with the Office of Management and Budget, will organize an orderly transfer of certain functions from ACTION to the Corporation. To the extent that ACTION personnel accept employment at the Corporation prior to the transfer of function, such employment will be under the Corporation's personnel system. To the extent that functions are transferred, personnel who are transferred will retain their rights under the competitive civil service system. At the point that such transferred personnel separate from the Corporation, these positions may be filled under the Corporation's personnel system.

TITLE III—REAUTHORIZATION

*Subtitle A—National and Community Service Act of 1990*

*Section 301. Authorization of Appropriations.*

Section 501 of the NCSA is amended to read as follows.

*Section 501. Authorization of Appropriations.*

To provide financial assistance under title I, subtitle B, \$45,000,000 are authorized in fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

To provide financial assistance under title I, subtitles C, D and H, \$389,000,000 are authorized for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

To carry out the provisions of title I, such sums as may be necessary are authorized for each of the fiscal years 1994 through 1998.

To carry out the provisions of title III, assistance to the Points of Light Foundation, \$5,000,000 are authorized for each of the fiscal years 1994 through 1998.

Funds appropriated under this section will remain available until expended.

*Subtitle B—Domestic Volunteer Service Act of 1973*

*Section 311. Short Title; References.*

Provides that this subtitle may be cited as the "Domestic Volunteer Service Act Amendments of 1993" and provides that amendments, unless otherwise specified, are to the Domestic Volunteer Service Act.

*Chapter 1—VISTA and other Anti-Poverty Programs.*

*Section 321. Purpose of the VISTA program.*

Provides an addition to the Statement of purpose for the VISTA program to include strengthening local agencies and organizations to address the needs of low-income communities and individuals.

*Section 322. Selection and Assignment of VISTA volunteers.*

Provides for a series of amendments affecting the selection and assignment of VISTA volunteers, including clarifying that volunteers may participate in programs similar to those authorized under the VISTA Literacy Corps and repealing mandated organizational structures, information systems, staffing levels, hiring requirements, and content of an application to become a VISTA volunteer. The section further revises authority for a sponsoring organization to recruit a volunteer to clarify that it is subject to the Director's approval; makes a series of

changes to the existing requirements concerning public awareness and recruitment, the composition of the volunteer force, and spending requirements related to promotion and recruitment; and encourages the Director to enter into agreements with other Federal agencies to place VISTA volunteers.

*Section 323. Terms and Periods of Service.*

Clarifies the terms and periods of service for VISTA volunteers and authorizes the creation of the VISTA Summer Associates program.

*Section 324. Support for VISTA volunteers.*

Provides for several amendments affecting the subsistence allowance and stipend rates for VISTA volunteers.

*Section 325. Participation of Younger and Older Persons.*

Revises the requirement for program participation to have the Director take necessary steps to encourage the fullest participation of younger and older individuals.

*Section 326. Literacy Activities.*

Repeals the requirement that funds made available under VISTA Literacy Corps will be used to supplement and not supplant the level of services provided under part A in fiscal year 1986 to address the problem of illiteracy.

*Section 327. Applications for Assistance.*

Restates the requirements related to the consideration of applications under the VISTA program to clarify existing statutory requirements.

*Section 328. Repeal of Authority for Student Community Service Programs.*

Repeals authority to make grants for student community service programs.

*Section 329. University Year for VISTA.*

Redesignates the University Year for ACTION program to the University Year for VISTA program. Revises the minimum period of service under the program from an academic year to an academic semester or its equivalent.

*Section 330. Authority to establish and operate special volunteer and demonstration programs.*

Authorizes the Director to conduct or make grants or contracts for special volunteer and demonstration programs that will fulfill the purpose of the Agency. Specifies that grants will be made on the basis of merit. Deletes current provisions restricting the flexibility of the Director under part C of title I. Permits supporting both stipended and non-stipended volunteer programs under part C.

*Section 331. Technical and Financial Assistance.*

Clarifies authority for the Director to provide technical and financial assistance.

*Section 332. Elimination of Separate Authority for Drug Abuse Programs.*

Deletes separate authority for drug abuse programs under part C of title I.

*Chapter 2—National Senior Volunteer Corps*

*Section 341. National Senior Volunteer Corps.*

Revises all references to Older American Volunteer Program refer to National Senior Volunteer Corps.

*Section 342. The Retired and Senior Volunteer Program.*

Revises the name of the Retired Senior Volunteer Program to the Retired and Senior Volunteer Program.

*Section 343. Operation of the Retired and Senior Volunteer Program.*

Revises the minimum age for participation in the program from 60 to 55 and recognizes

the participation of older working persons, in addition to retired individuals, in the program. Also deletes an obsolete requirement to give State agencies established under the Older Americans Act of 1965 the opportunity to comment on any award within the State.

*Section 344. Services Under the Foster Grandparent Program.*

Modifies the statutory description of types of activities of Foster Grandparents to reflect the current scope and breadth of the program. Further, clarifies that Foster Grandparents may provide services to multiple children.

*Section 345. Stipends for Low-Income Volunteers.*

Requires that the hourly stipend for low-income volunteers under the Foster Grandparent and Senior Companion Programs be adjusted once over the next several years, rounded to the nearest five cents. Further requires that the stipend be a minimum of \$2.45 per hour, the current rate under the programs.

*Section 346. Participation of Non-Low-Income Persons under Parts B and C.*

Revises the section allowing non-low-income persons to participate under parts B and C of title II. Detailed statutory requirements governing such participation are unnecessary. Local projects retain the flexibility to determine whether volunteers will be used.

*Section 347. Conditions of Grants and Contracts.*

Repeals a limitation on participation in the Foster Grandparent and Senior Companion programs to those no longer in the work force, thereby enabling these volunteers to work on a part-time basis. Also repeals a requirement that grants under the Foster Grandparent Program be made to a community action agency, and if not made to that agency, that certain requirements be met. Further, repeals a requirement that provides certain State agencies with the opportunity to review and comment on recommendations for awards within the State.

*Section 348. Evaluation of the Senior Companion Program.*

Deletes a duplicative provision requiring the evaluation of the impact of projects assisted under the Senior Companion Program.

*Section 349. Agreements with Other Federal Agencies.*

Inserts a section encouraging the Director to enter into certain arrangements with other Federal agencies that will promote both the mission of ACTION and the mission and programs of those agencies.

*Section 350. Programs of National Significance.*

Eliminates a requirement that not less than one-third of the new funds made available for Older American Volunteer Programs be earmarked for programs of national significance, provides discretion for the Director to determine which programs will be supported in a particular year, expands the categories of activities that may be funded, and replaces the limitations on authorization with the authority to award such sums as necessary.

*Section 351. Adjustments to Federal Financial Assistance.*

Repeals reporting and certain other requirements with respect to inflationary considerations.

*Section 352. Demonstration Programs.*

Provides for a new demonstration authority to fund projects involving Older American volunteers.

*Chapter 3—Administration*

*Section 361. Purpose of Agency.*

Clarifies the responsibility of the agency to promote coordination of volunteer efforts and other activities.

*Section 362. Authority of the Director.*

Provides authority to the Agency to solicit gifts and services.

*Section 363. Compensation for Volunteers.*

Clarifies that only contributions from Volunteers and beneficiaries are prohibited under the Act.

*Section 364. Repeal of Report.*

Repeals a requirement that the Director submit an annual report to Congress on the recruitment plan and activities conducted for the VISTA program.

*Section 365. Application of Federal Law.*

Revises the basis of computation for disability benefits for volunteers under the VISTA program from the entrance salary of a grade GS-7 employee to the entrance salary of a grade GS-5 employee.

*Section 366. Evaluation of Programs.*

Revises requirements for program evaluations.

*Section 367. Nondiscrimination Provisions.*

Replace existing nondiscrimination provisions with those currently provided for under the National and Community Service Act, updated to conform to the Americans with Disabilities Act.

*Section 368. Elimination of Separate Requirements for Setting Regulations.*

Eliminates a series of requirements related to prescribing regulations under the Act.

*Section 369. Clarification of Role of Inspector General.*

Clarifies the Act to indicate that recipients of grants must make records available to the Inspector General of ACTION.

*Section 370. Copyright Protection.*

Provides copyright protection for the major programs operated by the Agency.

*Section 371. Center for Research and Training.*

Authorizes a Center for Research and Training on Volunteerism.

*Section 372. Deposit Requirement Credit for Service as a Volunteer.*

Amends title 5, United States Code, to provide that retirement credit under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) for time served as a VISTA volunteer will be available for all former volunteers who become Federal employees subsequent to their volunteer service, upon payment of a deposit based on their post service stipends.

*Chapter 4—Authorization of Appropriations and Other Amendments*

*Section 381. Authorization of Appropriations for Title I.*

Provides separate authorization for various parts and sections under title I of the legislation for fiscal years 1994 through 1998. Also stipulates that the legislatively mandated minimum subsistence allowance for VISTA volunteers may not be reduced in order to increase the number of volunteer service years. Specifies that any VISTA volunteers also working on activities authorized under parts B and/or C of title I must meet the antipoverty criteria specified under part A. Finally, specifies that amounts appropriated for part A must provide for a minimum number of volunteer service years in each fiscal year.

To carry out part A of title I, \$40,000,000 is authorized for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1994 through 1998.

*Section 382. Authorization of Appropriations for Title II.*

Provides authorizes for programs under Title II for each of the fiscal years 1994 through 1998.

To carry out part A of title II, the Retired and Senior Volunteer Program, \$35,800,000 is authorized in fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

To carry out part B of title II, the Foster Grandparent Program, \$68,800,000 is authorized for fiscal year 1994, and such sums as may be necessary in fiscal years 1995 through 1998.

To carry out part C of title II, the Senior Companion Program, \$31,700,000 is authorized for fiscal year 1994, and such sums as may be necessary in fiscal years 1995 through 1998.

To carry out part E of title II, Demonstration Programs, such sums as may be necessary are authorized for each of the fiscal years 1995 through 1998.

*Section 383. Authorization of Appropriations for Title IV.*

Provides authorization for program administration under title IV. Provides separate authorization for evaluation and the Center for Research and Training.

*Section 384. Conforming Amendments; Compensation for VISTA FECA Claimants.*

Provides for Conforming amendments.

*Section 385. Repeal of Authority.*

Repeals authority for Youthbuild.

Chapter 5—General Provisions

*Section 391. Technical and Conforming Amendments.*

Amends the table of contents.

*Section 392. Effective Date.*

Makes October 1, 1993 or date of enactment effective date.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

*Sections 401–405.*

Makes a series of technical and conforming amendments.

Section 404 provides that funding for the Points of Light Foundation will be provided through the Corporation.

*Section 406. Effective Date.*

Establishes effective dates for the legislation.

S. 920

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Student Loan Reform Act of 1993".*

TITLE I—AMENDMENTS TO FEDERAL DIRECT LOAN DEMONSTRATION PROGRAM

HEADING FOR PART

SEC. 111. Part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.; hereinafter referred to as "the Act") is amended in the part heading—

(1) by inserting "STUDENT" immediately following "DIRECT"; and

(2) by striking out "DEMONSTRATION".

"PURPOSE; PROGRAM AUTHORIZATION

SEC. 112. Section 451 of the Act is amended to read as follows:

PURPOSE; PROGRAM AUTHORIZATION

"SEC. 451. (a) PURPOSE.—It is the purpose of this part—

"(1) to simplify the delivery of student loans to borrowers and eliminate borrower confusion;

"(2) to provide a variety of repayment plans, including income contingent repayment through the EXCEL Account, to borrowers so that they have flexibility in managing their student loan repayment obligations, and so that those obligations do not foreclose community service-oriented career choices for those borrowers;

"(3) to replace, through an orderly transition, the Federal Family Education Loan program under part B of this title with the Federal Direct Student Loan program under this part;

"(4) to avoid the unnecessary cost, to taxpayers and borrowers, and administrative complexity associated with the Federal Family Education Loan program under part B of this title through the use of a direct student loan program; and

"(5) to create a more streamlined student loan program that can be managed more effectively at the Federal level.

"(b) PROGRAM AUTHORITY.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students in attendance at participating institutions of higher education selected by the Secretary (and the eligible parents of such students), to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 1994 and ending on June 30, 1998. Such loans shall be made by participating institutions that also have agreements with the Secretary to originate loans, or by alternative originators designated by the Secretary to make loans for students in attendance at participating institutions (and their parents)."

FUNDS FOR ORIGATION OF DIRECT STUDENT LOANS

SEC. 113. Section 452 of the Act is amended to read as follows:

"FUNDS FOR ORIGATION OF DIRECT STUDENT LOANS

"SEC. 452. (a) IN GENERAL.—The Secretary shall provide funds for student and parent loans under this part (1) directly to an institution of higher education that has an agreement with the Secretary under section 454(a) to participate in the direct student loan program under this part and that also has an agreement with the Secretary under section 454(b) to originate loans under this part, or (2) through an alternative originator designated by the Secretary, on the basis of the need and the eligibility of students at each participating institution, and parents of such students, for such loans.

"(b) FEES FOR ORIGATION SERVICES.—(1) The Secretary shall pay fees to institutions of higher education with agreements under section 454(b), in an amount established by the Secretary, to assist in meeting the costs of loan origination. Such fees—

"(A) shall be paid by the Secretary based on all the loans made under this part to a particular borrower in the same academic year;

"(B) shall be subject to a sliding scale that decreases the amount of such fees as the number of borrowers increases; and

"(C)(i) for academic year 1994–1995, shall not exceed a program-wide average of \$10 per borrower for all the loans made under this part to such borrower in the same academic year; and

"(ii) for succeeding academic years, the Secretary shall establish such average fee in regulations.

"(2) The Secretary shall pay fees for loan origination services to alternative originators of loans made under this part in an amount established by the Secretary in accordance with the terms of the contract between the Secretary and each such alternative originator.

"(c) NO ENTITLEMENT TO PARTICIPATE OR ORIGINATE.—No institution of higher education shall have a right to participate in the programs authorized by this part, originate loans, or perform any program function under this part. Nothing in this subsection shall be construed so as to limit the entitlement of an eligible student attending a participating institution (or the eligible parent of such student) to borrow under this part."

SELECTION OF INSTITUTIONS

SEC. 114. Section 453 of the Act is amended—

(1) by amending subsections (a) and (b) to read as follows:

"(a) PHASE-IN OF PROGRAM.—(1)(A) The Secretary shall enter into agreements pursuant to section 454(a) with institutions of higher education to participate in the direct student loan programs under this part, and agreements pursuant to section 454(b) with institutions of higher education to originate loans in such programs, for academic years beginning on or after July 1, 1994. Alternative origination services, through which an entity other than the participating institution at which the student is in attendance originates the loan, shall be provided by the Secretary, through one or more contracts under section 456 or such other means as the Secretary may provide, for students attending participating institutions that do not originate direct student loans under this part. Such agreements for the first year of the program shall, to the extent feasible, be entered into not later than January 1, 1994.

"(B) In order to ensure an expeditious but orderly transition from the loan programs under part B of this title to the direct student loan programs under this part, the Secretary shall, in the exercise of his or her discretion, determine the number of institutions with which he or she shall enter into agreements under sections 454 (a) and (b) for any academic year, except that the Secretary shall exercise such discretion so as to achieve the following goals—

"(i) for academic year 1994–1995, loans made under this part shall represent 4 percent of the sum of new student loan volume under this part and part B of this title;

"(ii) for academic year 1995–1996, loans made under this part shall represent 25 percent of the sum of new student loan volume under this part and part B of this title;

"(iii) for academic year 1996–1997, loans made under this part shall represent 60 percent of the sum of new student loan volume under this part and part B of this title; and

"(iv) for academic year 1997–1998, loans made under this part shall represent 100 percent of the sum of new student loan volume under this part and part B of this title.

"(2) The requirements of the Cash Management Improvement Act of 1990 (P.L. 101–453) shall apply to the program under this part only to the extent specified in a schedule established by the Secretaries of Education and the Treasury, except that such schedule shall provide for the application of all such requirements not later than July 1, 1998.

"(b) SELECTION CRITERIA.—(1) PARTICIPATION.—(A) Each institution of higher education desiring to participate in the direct student loan program under this part shall submit an application satisfactory to the Secretary containing such information and assurances as the Secretary may require.

"(B) When the program authorized under this part is fully implemented, the Secretary shall enter into agreements under section 454(a) with institutions that submit applications in accordance with subparagraph (A).

"(C) Until such full implementation, the Secretary shall select institutions for participation in the direct student loan program under this part, and shall enter into agreements with them under section 454(a), from among those institutions that submit the applications described in subparagraph (A), and meet such other eligibility requirements as the Secretary may prescribe, by—

"(i)(I) categorizing such institutions according to anticipated loan volume, length of academic program, and control of the institution; and

"(II) selecting institutions that are reasonably representative of the respective categories; and

"(ii) if needed to carry out the purposes of this part, selecting additional institutions.

"(2) ORIGINATION.—(A) The Secretary may enter into a supplemental agreement with an institution (or a consortium of such institutions) that—

"(i) has an agreement under subsection 454(a);

"(ii) desires to originate loans under this part; and

"(iii) meets the criteria specified in subparagraph (B).

"(B)(i) For academic year 1994-1995, the Secretary may approve an institution to originate loans only if such institution—

"(I) made loans under part E of this title in academic year 1993-1994 and did not exceed the applicable maximum default rate under section 462(g) for the most recent fiscal year for which data are available;

"(II) is not on the reimbursement system of payment for any of the programs under subpart 1 or 3 of part A, part C, or part E;

"(III) is not overdue on program or financial reports or audits required under this title;

"(IV) is not subject to an emergency action, or a limitation, suspension, or termination under section 428(b)(1)(T), 432(h), or 487(c);

"(V) in the opinion of the Secretary, has not had significant deficiencies identified by the State postsecondary review entity under subpart 1 of part H of this title;

"(VI) in the opinion of the Secretary, has not had severe performance deficiencies for any of the programs under this title, including those demonstrated by audits or program reviews submitted or conducted during the five calendar years immediately preceding the date of application; and

"(VII) provides an assurance that it has no delinquent outstanding debts to the United States, unless such debts are being repaid under or in accordance with a repayment arrangement satisfactory to the United States, or the Secretary in his or her discretion determines that the existence or amount of such debts has not been finally determined by the cognizant Federal agency or agencies.

"(ii) For academic year 1995-1996 and subsequent academic years, the Secretary shall publish regulations governing the approval of institutions to originate loans.";

(2) by striking out subsections (c), (d), (e), and (f);

(3) by amending subsection (g) to read as follows:

"(g) CONSORTIA.—Subject to such requirements as the Secretary may prescribe, eligible institutions of higher education with agreements under section 454(a) may apply to originate loans under this part for stu-

dents in attendance at such institutions, as consortia. Such institutions shall be required to meet the requirements to participate in the program under this part individually."; and

(4) by redesignating subsection (g) as subsection (c).

#### AGREEMENTS WITH INSTITUTIONS

SEC. 115. Section 454 of the Act is amended to read as follows:

#### "AGREEMENTS WITH INSTITUTIONS

"SEC. 454. (a) PARTICIPATION.—An agreement with any institution of higher education for participation in the direct student loan program under this part shall—

"(1) provide for the establishment and maintenance of a direct student loan program at the institution under which—

"(A) the institution will—

"(i) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

"(ii) estimate the need of each such student as required by part F of this title for an academic year, provided that any loan obtained by a student under this part with the same terms (except as otherwise provided in this part) as loans made under section 428A or 428H, or a loan obtained by a parent under this part with the same terms (except as otherwise provided in this part) as loans made under section 428B, or obtained under any State-sponsored or private loan program, may be used to offset the expected family contribution of the student for that year; and

"(iii) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the maximum amount applicable to such loan, except that the institution may, in exceptional circumstances specified by the Secretary, refuse to certify a statement that permits a student to receive a loan under this part, or certify a loan amount that is less than the student's determination of need (as determined under part F of this title), if the reason for such action is documented and provided in written form to such student;

"(B) the institution will set forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428C; and

"(C) the institution will provide timely and accurate information—

"(i) concerning the status of student borrowers (and students on whose behalf parents borrow under this part) while such students are in attendance at the institution and concerning any new information of which the institution becomes aware for such students (or their parents) after they leave the institution, to the Secretary for the servicing and collecting of loans made under this part; and

"(ii) if the institution does not have an agreement with the Secretary under subsection (b), concerning student eligibility and need, as determined under subparagraph (A), to the Secretary as needed for the alternative origination of loans to eligible students and parents in accordance with this part;

"(2) provide assurances that the institution will comply with requirements established by the Secretary relating to student loan information with respect to loans made under this part;

"(3) provide that the institution accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the agreement;

"(4) provide that students at the institution and their parents (with respect to such

students) will not be eligible to participate in the programs under part B of this title for the period during which such institution participates in the direct student loan program under this part;

"(5) provide for the implementation of a quality assurance system, as established by the Secretary, to ensure that the institution is complying with program requirements and meeting program objectives;

"(6) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan; and

"(7) include such other provisions as the Secretary determines are necessary to protect the interests of the United States and to promote the purposes of this part.

"(b) ORIGINATION.—An agreement with any institution of higher education for the origination of loans under this part shall—

"(1) supplement the agreement entered into in accordance with subsection (a);

"(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (1)(G), (2), (3), (4), (5), (6), and (7) of subsection (a), as modified to relate to the origination of loans by the institution;

"(3) provide that the institution will originate loans to eligible students and parents in accordance with this part; and

"(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

"(c) WITHDRAWAL AND TERMINATION PROCEDURES.—The Secretary shall establish procedures by which institutions may withdraw or be terminated from the program under this part."

#### TERMS OF LOANS

SEC. 116. Section 456 of the Act is amended to read as follows:

#### "TERMS AND CONDITIONS OF LOANS

"SEC. 456. (a) IN GENERAL.—(1) Unless otherwise specified in this part, loans made to borrowers under this part shall have the same terms, conditions, and benefits as loans made to borrowers under sections 428, 428A, 428B, and 428H of this title.

"(2) Loans made to borrowers under this part that, except as otherwise specified in this part, have the same terms, conditions, and benefits as loans made to borrowers under—

"(A) section 428 shall be known as 'Federal Direct Stafford Loans';

"(B) section 428A shall be known as 'Federal Direct Supplemental Loans for Students';

"(C) section 428B shall be known as 'Federal Direct PLUS Loans'; and

"(D) section 428H shall be known as 'Federal Direct Unsubsidized Stafford Loans'.

"(b) INTEREST RATE.—(1) Section 427A(a) shall not apply to loans made under this part.

"(2)(A) For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made before July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

"except that such rate shall not exceed 9 percent.

"(B) For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made on or after July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for all such loans and be equal to—

"(i) the bond equivalent rate of the security with a comparable maturity; plus

"(ii) 1 percent,

"except that such rate shall not exceed 9 percent.

"(3)(A) For Federal Direct Supplemental Loans for Students made before July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

"except that such rate shall not exceed 11 percent.

"(B) For Federal Direct Supplemental Loans for Students made on or after July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for all such loans and be equal to—

"(i) the bond equivalent rate of the security with a comparable maturity; plus

"(ii) 1.5 percent,

"except that such rate shall not exceed 11 percent.

"(4)(A) For Federal Direct PLUS Loans made before July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for loans and be equal to—

"(i) the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

"except that such rate shall not exceed 10 percent.

"(B) For Federal PLUS Loans made on or after July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for all such loans and be equal to—

"(i) the bond equivalent rate of the security with a comparable maturity; plus

"(ii) 2.1 percent,

"except that such rate shall not exceed 10 percent.

"(c) LOAN FEE.—The Secretary shall charge the borrower of a loan made under this part a loan fee of not less than 5 percent, but not more than 6.5 percent, of the principal amount of the loan.

"(d) REPAYMENT PLANS.—(1)(A) The Secretary shall design each repayment plan under this subsection so that, to the extent possible, the cost to the Federal Government for each cohort of borrowers does not exceed what such cost would be if all borrowers in the cohort selected the standard repayment plan described in clause (i). Consistent with criteria established by the Secretary, the Secretary shall offer to a borrower of a loan made under this part a variety of plans for repayment of such loan, including principal and interest on the loan. The borrower may choose—

"(i) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time;

"(ii) an extended repayment plan, with a fixed annual repayment amount paid over an

extended period of time, provided that the borrower annually repays a minimum amount determined by the Secretary;

"(iii) a graduated repayment plan, with annual repayment amounts established at two or more graduated levels and paid over a fixed or extended period of time, provided that any of the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and

"(iv) except for the borrower of a Federal Direct PLUS Loan, an income contingent repayment plan known as an 'EXCEL Account,' with varying annual repayment amounts based on the income of the borrower, paid over an extended period of time, not to exceed a maximum length of time determined by the Secretary.

"(B) If a borrower of a loan made under this part does not select a repayment plan described in subparagraph (A), the Secretary may provide the borrower with a repayment plan described in clause (i), (ii), or (iii) of subparagraph (A).

"(C) The borrower of a loan made under this part may change his or her selection of a repayment plan under subparagraph (A), or the Secretary's selection of a plan for the borrower under subparagraph (B), as the case may be, under such terms and conditions as may be established by the Secretary.

"(D) The Secretary may provide an alternative repayment plan to a borrower of a loan made under this part who demonstrates to the satisfaction of the Secretary that the terms and conditions of the repayment plans available under subparagraph (A) are not adequate to accommodate the borrower's exceptional circumstances.

"(E) The Secretary may require any borrower who has defaulted on a loan made under this part to—

"(i) pay all reasonable collection costs associated with such loan; and

"(ii) repay the loan pursuant to an EXCEL Account.

"(2)(A) The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to an EXCEL Account for the purpose of determining the annual repayment obligation of the borrower. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other procedures as are necessary to implement effectively repayment pursuant to an EXCEL Account.

"(B)(i) A repayment schedule for a loan made under this part and repaid pursuant to an EXCEL Account shall be based on the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986, 26 U.S.C. 62) of the borrower or, if the borrower is married and files a Federal income tax return jointly with his or her spouse, on the adjusted gross income of the borrower and his or her spouse.

"(ii) A borrower who chooses, or is required, to repay a loan made under this part pursuant to an EXCEL Account, and for whom adjusted gross income is unavailable or does not reasonably reflect his or her current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

"(iii) EXCEL Account repayment schedules shall be established by the Secretary

through regulations and shall require payments measured as a percentage of the appropriate portion of the annual income of the borrower (and the borrower's spouse, if applicable) as determined by the Secretary.

"(iv) The balance due on a loan made under this part that is repaid pursuant to an EXCEL Account shall equal the unpaid principal amount of the loan, any accrued interest, and any fees, such as late charges, assessed on such loan. The Secretary may limit by regulation the amount of interest that may be capitalized on such loan, and the timing of any such capitalization.

"(C) The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses or is required to repay such loan pursuant to an EXCEL Account is notified of the terms and conditions of such plan, including notification of such borrower—

"(i) that the Internal Revenue Service will disclose to the Secretary the most recent available information concerning the borrower's income; and

"(ii) that if a borrower considers that special circumstances, such as a loss of employment by the borrower or his or her spouse, warrant an adjustment in the borrower's loan repayment as determined using the information described in clause (i), or the alternative documentation described in subparagraph (B)(ii), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

"(e) DEFERMENT.—(1) A borrower of a loan made under this part who meets the requirements described in paragraph (2) shall be eligible for a deferment, during which periodic installments of principal need not be paid, and interest—

"(A) shall not accrue, in the case of a Federal Direct Stafford Loan or a Federal Direct Consolidation Loan that consolidate only Federal Direct Stafford Loans, or a combination of such loans and Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

"(B) shall accrue and be capitalized or paid by the borrower, in the case of a Federal Direct Supplemental Loan for Students loan, a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan other than those described in subparagraph (A).

"(2) A borrower of a loan made under this part shall be eligible for a deferment during any period—

"(A) during which the borrower—

"(i) is pursuing at least a half-time course of study at an eligible institution, as determined by such institution; or

"(ii) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary,

"except that no borrower shall be eligible for a deferment under this subparagraph, or a loan made under this part (other than a Federal Direct PLUS Loan, or a Federal Direct Consolidation Loan), while serving in a medical internship or residency program;

"(B) not in excess of three years during which the borrower is seeking and unable to find full-time employment; or

"(C) not in excess of three years during which the Secretary determines, in accordance with regulations prescribed under section 435(o), that the borrower has experienced or will experience an economic hard-

ship, regardless of the reason for such hardship.

"(f) FORBEARANCE.—(1)(A) A borrower of a loan made under this part shall be eligible for forbearance, as defined in subparagraph (B), which shall be granted by the Secretary if Secretary determines that the borrower is willing but unable to make scheduled loan payments.

"(B) The term 'forbearance' means permitting the temporary cessation of payments, allowing an extension of time for making payments, or temporarily accepting smaller payments than previously scheduled. Interest shall continue to accrue on a loan for which a borrower receives forbearance and shall be capitalized or paid by the borrower.

"(2)(A) A borrower of a loan made under this part who 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, shall be eligible for forbearance granted by the Secretary during periods in which the borrower is serving in such position.

"(B) For purposes of this paragraph, 'forbearance' shall mean the temporary cessation of payments unless the borrower selects another option described in paragraph (1)(B).

"(g) FEDERAL DIRECT CONSOLIDATION LOANS.—A borrower of a loan made under this part may consolidate such loan with the loans described in subsections (a)(4) and (d)(1)(C) of section 428C only under the terms and conditions established by the Secretary under this part. Loans made under this subsection shall be known as 'Federal Consolidation Loans'.

"(h) BORROWER DEFENSES.—Notwithstanding any other provision of State or Federal law, the Secretary shall specify in regulations (except as authorized under section 458(a)) which acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan made under this part, except that in no event may a borrower recover from the Secretary, in any action arising from or relating to a loan made under this part, an amount in excess of the amount such borrower has repaid on such loan.

"(i) OPTICALLY IMAGED DOCUMENTS.—Records maintained in accordance with section 484A(c) may be used in any proceeding, as permitted by section 484A(c), with respect to a loan made under this part.

"(j) NONDISCHARGEABILITY IN BANKRUPTCY.—Notwithstanding any other provision of law, a loan made under this part shall not be dischargeable in bankruptcy."

CONTRACTS

SEC. 117. Section 457 of the Act is amended to read as follows:

"CONTRACTS

"SEC. 457. (a)(1) The Secretary may award one or more contracts for services and supplies under subsection (b). The entities with which the Secretary may enter into such contracts may include, but are not limited to, agencies with agreements with the Secretary under sections 428(b) and (c), if such agencies are otherwise qualified and comply with the procedures applicable to the award of such contracts.

"(2) The Secretary may, through June 30, 1998, award contracts under this section without regard to the requirements in 41 U.S.C. 253, 41 U.S.C. 416, and 15 U.S.C. 637(e) and the corresponding requirements of the Federal Acquisition Regulations if he or she determines, on a case-by-case basis, that exemption from such requirements is in the

public interest and necessary for the orderly transition from the loan programs under part B to the direct student loan programs under this part.

"(3) On and after July 1, 1998, all statutory and regulatory requirements described in paragraph (2) shall apply to the award of a contract under this section.

"(b) The Secretary may enter into one or more contracts for—

"(1) the alternative origination of loans to students attending institutions with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 454(b);

"(2) the servicing and collection of loans made under this part;

"(3) the establishment and operation of one or more data systems for the maintenance of records on all loans made under this part;

"(4) services to assist in the orderly transition from the loan programs under part B to the direct student loan programs under this part; and

"(5) such other aspects of the direct student loan programs as the Secretary determines are necessary to ensure the successful operation of the programs."

REPORTS

SEC. 118. Section 458 of the Act is amended—

(1) in subsection (a), by striking out "demonstration program." and inserting in lieu thereof "program under this part.";

(2) by striking out subsections (b), (c), (d), and (e); and

(3) adding at the end thereof the following new subsections:

"(b) RESEARCH, DEMONSTRATION, AND EVALUATION.—The Secretary may use a portion of the funds described in section 459 for research on, or the demonstration or evaluation of, any aspects of the program authorized by this part, including flexible repayment plans.

"(c) PLAN FOR IRS PARTICIPATION AND OTHER REPAYMENT OPTIONS.—(1) The Secretaries of Education and the Treasury shall, within six months of the date of enactment, submit a plan to the President that—

"(A) provides for repayment for loans made under this part through wage withholding by the Internal Revenue Service; and

"(B) evaluates the feasibility of other wage-withholding repayment options for such loans.

"(2) If the President determines that the implementation of one or more repayment options contained in the plan described in paragraph (1) would further the purposes of this part, the Secretaries of Education and the Treasury shall be authorized to take such actions as are reasonable and necessary to implement such repayment options, including entering into an agreement pursuant to section 6306 of the Internal Revenue Code of 1986.

"(3) The Secretary of Education may use such amounts as may be necessary for the funds available under section 459 to implement the repayment options selected by the President under paragraph (2) and shall make available to the Secretary of the Treasury such amounts under section 459 as the Secretaries determine to be necessary to implement those repayment options carried out by the Internal Revenue Service.

SECRETARIAL ACTIVITIES

SEC. 119. Section 459 of the Act is amended—

(1) in the section heading, by striking out "SCHEDULE OF";

(2) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) NOTICE IN LIEU OF REGULATIONS FOR FIRST YEAR OF PROGRAM.—The Secretary shall publish in the *Federal Register* whatever standards, criteria, and procedures, consistent with the provisions of this part, the Secretary determines are reasonable and necessary to the successful implementation of the first year of the direct student loan program authorized by this part. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.";

(3) by striking out subsections (b) and (e);

(4) in subsection (c)—

(A) by inserting "a date not later than" immediately preceding "October 1, 1993,"; and

(B) by striking out "participate" through the end thereof and inserting in lieu thereof the following: "participate in the first year of the direct student loan program under this part.";

(5) in subsection (d), by striking out "participate" through the end thereof and inserting in lieu thereof the following: "participate in the first year of the loan program under this part."; and

(6) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

REPEALS AND REDESIGNATIONS

SEC. 120. (a) Section 455 of the Act is repealed.

(b) Sections 456, 457, 458, 459, and 459A are redesignated as sections 455, 456, 457, 458, and 459, respectively.

FUNDS FOR ADMINISTRATIVE EXPENSES

SEC. 121. Section 459 of the Act (as redesignated by section 120) is amended by striking out "administrative costs under this part," through the end thereof and inserting in lieu thereof the following: "administrative costs under this part, including the costs of the transition from the loan programs under part B to the direct student loan programs under this part and transition support for the expenses of guaranty agencies in servicing outstanding loans in their portfolios and in guaranteeing new loans, not to exceed \$261,000,000 in fiscal year 1994, \$346,000,000 in fiscal year 1995, \$552,000,000 in fiscal year 1996, \$596,000,000 in fiscal year 1997, and \$749,000,000 in fiscal year 1998. If in any fiscal year, the Secretary determines that additional funds for administrative expenses are needed as a result of such transition, or the expansion of the direct student loan programs under this part, the Secretary is authorized to use funds available under this section for a subsequent fiscal year for such expenses. The Secretary is also authorized to carry over funds available under this section to a subsequent fiscal year."

TITLE II—CONFORMING AMENDMENTS

PART A—CONFORMING AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

PRESERVING LOAN ACCESS

SEC. 211. (a) PURPOSE.—It is the purpose of the amendments made by this section to provide the Secretary with flexible authority as needed to preserve access to student and parent loans under part B of title IV of the Act during the transition from the Federal Family Education Loan program under such part to the Federal Direct Student Loan program under part D of such title.

(b) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES.—(1) Section 428(j) of the Act is amended by adding at the end thereof the following new paragraph:

"(4) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES DURING TRANSITION TO DIRECT LENDING.—(A) In order to ensure the availability of loan capital during the transition from the Federal Family Education Loan program under this part to the Federal Direct Student Loan program under part D of this title, the Secretary is authorized to provide a guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as are determined appropriate by the Secretary, in order to ensure that the guaranty agency will make loans as the lender-of-last-resort. Such agency shall make such loans in accordance with this subsection and the requirements of the Secretary.

"(B) Notwithstanding any other provision in this part, a guaranty agency serving as a lender-of-last-resort under this paragraph shall be paid a fee, established by the Secretary, for making such loans in lieu of interest and special allowance subsidies, and shall be required to assign such loans to the Secretary on demand. Upon such assignment, the portion of the advance represented by the loans assigned shall be considered repaid by such guaranty agency."

(2) Section 422(c)(7) of the Act is amended by striking out "to a guaranty agency" through the end thereof and inserting in lieu thereof the following: "to a guaranty agency—

"(A) in accordance with section 428(j), in order to ensure that the guaranty agency shall make loans as the lender-of-last-resort during the transition from the Federal Family Education Loan program under this part to the Federal Direct Student Loan program under part D of this title; or

"(B) if the Secretary is seeking to terminate the guaranty agency's agreement, or assuming the guaranty agency's functions, in accordance with section 428(c)(10)(F)(v), in order to assist the agency in meeting its immediate cash needs, ensure the uninterrupted payment of claims, or ensure that the guaranty agency shall make loans as described in subparagraph (A)";

(c) LENDER REFERRAL SERVICES.—Section 428(e) of the Act is amended—

(1) in paragraph (1)—

(A) by amending the paragraph heading to read as follows: "IN GENERAL; AGREEMENTS WITH GUARANTY AGENCIES.—";

(B) by inserting the subparagraph designation "(A)" immediately after the paragraph designation;

(C) by striking out "in any State" and inserting in lieu thereof "with which the Secretary has an agreement under subparagraph (B)"; and

(D) by adding at the end thereof the following new subparagraph:

"(B)(i) The Secretary may enter into agreements with guaranty agencies that meet standards established by the Secretary to provide lender referral services in geographic areas specified by the Secretary. Such guaranty agencies shall be paid in accordance with paragraph (3) for such services.

"(ii) The Secretary shall publish in the *Federal Register* whatever standards, criteria, and procedures, consistent with the provisions of this part and part D of this title, the Secretary determines are reasonable and necessary to provide lender referral services under this subsection and ensure loan access to student and parent borrowers during the transition from the loan programs under this part to the direct student loan programs under part D of this title. Section 431 of the

General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures."

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking out "in a State" and inserting in lieu thereof "with which the Secretary has an agreement under paragraph (1)(B)";

(B) by amending subparagraph (A) to read as follows:

"(A)(i) such student is either a resident of, or is accepted for enrollment in, or is attending, an eligible institution located in a geographic area for which the Secretary (I) determines that loans are not available to all eligible students, and (II) has entered into an agreement with a guaranty agency under paragraph (1)(B) to provide lender referral services; and";

(4) in paragraph (3), by striking out "The" and inserting in lieu thereof "From funds available for costs of transition under section 459 of the Act, the"; and

(5) by striking out paragraph (5).

(d) STUDENT LOAN MARKETING ASSOCIATION.—Section 439(q) of the Act is amended—

(1) in paragraph (1)(A)—

(A) in the first sentence, by striking out "the Association or its designated agent may begin making loans" and inserting in lieu thereof "the Association or its designated agent shall, subject to the limitations in section 428(j)(3), begin making loans to such eligible borrowers"; and

(B) by striking out the second sentence therein;

(2) in paragraph (2)(A), by striking out "the Association or its designated agent may" and inserting in lieu thereof "the Association or its designated agent shall, subject to the limitations in section 428(j)(3)," and

(3) in paragraph (3), by striking out "that—" through the end thereof and inserting in lieu thereof the following: "that the conditions that caused the implementation of this subsection have ceased to exist."

#### GUARANTY AGENCY RESERVES

SEC. 212. Section 422 of the Act is amended by adding at the end thereof the following new subsection:

"(g) PRESERVATION OF GUARANTY AGENCY RESERVES.—(1) Notwithstanding any other provision of law, the reserve funds of the guaranty agencies, and any assets purchased with such reserve funds, regardless of who holds or controls the reserves or assets, shall be considered to be the property of the United States to be used in the operation of the program authorized by this part or the program authorized by part D of this title. However, the Secretary may not require the return of all of a guaranty agency reserve funds to the Secretary unless he or she determines that such return is essential to the operation of the program authorized by this part or the program authorized by part D of this title, or to ensure the orderly termination of the guaranty agency's operations and the liquidation of its assets. The reserves shall be maintained by each guaranty agency to pay program expenses and contingent liabilities, as authorized by the Secretary, except that the Secretary may—

"(A) direct a guaranty agency to return to the Secretary a portion of its reserve fund which the Secretary determines is unnecessary to pay the program expenses and contingent liabilities of the guaranty agency; and

"(B) direct the guaranty agency to require the return, to the guaranty agency or to the Secretary, of any reserve funds or assets held by, or under the control of, any other entity,

which the Secretary determines are necessary to pay the program expenses and contingent liabilities of the guaranty agency, or which are required for the orderly termination of the guaranty agency's operations and the liquidation of its assets.

"(2) The ensure that the funds and assets of the guaranty agency are preserved, any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency or any other party on behalf of or with the concurrence of the guaranty agency, after the effective date of this provision shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section."

#### TERMS OF LOANS

SEC. 213. Section 428 of the Act is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (D), by striking out "be subject to" through the end thereof and inserting in lieu thereof the following: "be subject to income contingent repayment in accordance with subsection (m)";

(B) by redesignating subparagraphs (W), (X), and (Y) as subparagraphs (X), (Y), and (Z), respectively; and

(C) 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";

(2) in subsection (c)(3)(A), by striking out "subsection (b)(1)(V)" through the end thereof and inserting in lieu thereof the following: "subsections (b)(1)(V) and (W)"; and

(3) in subsection (m)—

(A) by amending paragraph (1) to read as follows:

"(1) The Secretary may require any borrower who has defaulted on a loan made under this part that is assigned to the Secretary under subsection (c)(8) to repay that loan under an income contingent repayment plan, the terms and conditions of which shall be established by the Secretary and the same as, or similar to, the EXCEL Account established for purposes of part D of this title."

(B) by striking out paragraphs (2) and (4);

(C) by amending paragraph (3) to read as follows:

"(3) LOANS FOR WHICH INCOME CONTINGENT REPAYMENT MAY BE REQUIRED.—A loan made under this part may be required to be repaid under this section if the note or other evidence of the loan has been assigned to the Secretary pursuant to subsection (c)(8)"; and

(D) by redesignating paragraph (3) as paragraph (2).

## ASSIGNMENT OF LOANS

SEC. 214. (a) Section 428(c)(8) of the Act is amended—

(1) by inserting the subparagraph designation "(A)" immediately following the section heading;

(2) by striking out the second and third sentences therein; and

(3) adding at the end thereof the following new subparagraphs:

"(B) An orderly transition from the Federal Family Education Loan program under this part to the Federal Direct Student Loan program under part D of this title shall be deemed to be in the Federal fiscal interest, and a guaranty agency shall promptly assign loans to the Secretary under this paragraph upon his or her request."

## TERMINATION OF GUARANTY AGENCY AGREEMENTS; ASSUMPTION OF GUARANTY AGENCY FUNCTIONS BY THE SECRETARY

SEC. 215. Section 428(c)(10) of the Act is amended—

(1) in subparagraph (C), by inserting a comma and "as appropriate," immediately following "the Secretary shall";

(2) in subparagraph (D)—

(A) by inserting the clause designation "(1)" immediately following the subparagraph designation;

(B) by striking out "Each" and inserting in lieu thereof "If the Secretary is not seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a";

(C) by adding at the end thereof the following new clause:

"(i) If the Secretary is seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a management plan described in subparagraph (C) shall include the means by which the Secretary and the guaranty agency shall work together to ensure the orderly termination of the operations, and liquidation of the assets of the guaranty agency.";

(3) in subparagraph (E)—

(A) in clause (ii), by striking out "or" at the end thereof;

(B) in clause (iii), by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(D) by adding at the end thereof the following new clauses:

"(iv) the Secretary determines that such action is necessary to protect the Federal fiscal interest;

"(v) the Secretary determines that such action is necessary to ensure the continued availability of loans to student or parent borrowers; or

"(vi) the Secretary determines that such action is necessary to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title.";

(4) in subparagraph (F)—

(A) in the matter preceding clause (i), by striking out "Except as provided in subparagraph (G), if" and inserting in lieu thereof "If";

(B) by amending clause (v) to read as follows:

"(v) provide the guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to—

"(I) meet the immediate cash needs of the guaranty agency;

"(II) ensure the uninterrupted payment of claims; or

"(III) ensure that the guaranty agency will make loans as the lender-of-last-resort, in accordance with subsection (j)(4)";

(C) in clause (vi)—

(i) by striking out "and to avoid" and inserting in lieu thereof "to avoid";

(ii) by striking out the period at the end thereof and inserting in lieu thereof a comma and "and to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title."; and

(iii) by redesignating such clause as clause (vii); and

(D) by inserting immediately following clause (v) the following new clause:

"(vi) use all funds and assets of the guaranty agency to assist in the activities undertaken in accordance with this subparagraph and take appropriate action to require the return, to the guaranty agency or the Secretary, of any funds or assets provided by the guaranty agency, under contract or otherwise, to any person or organization; or";

(5) by striking out subparagraph (G);

(6) by redesignating subparagraphs (H), (I), and (J) as subparagraphs (I), (J), and (K), respectively;

(7) by inserting immediately following subparagraph (F) the following new subparagraphs:

"(G) Notwithstanding any other provision of Federal or State law, if the Secretary has terminated or is seeking to terminate a guaranty agency's agreement under subparagraph (E), or has assumed a guaranty agency's functions under subparagraph (F)—

"(i) such guaranty agency may not file for bankruptcy;

"(ii) no State court may issue any order affecting the Secretary's actions with respect to such guaranty agency;

"(iii) any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the effective date of this provision shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section; and

"(iv) no provision of State law shall apply to the actions of the Secretary in terminating the operations of a guaranty agency;

"(H) Notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a guaranty agency (other than outstanding student loan guarantees under this part), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the guaranty agency, minus any necessary liquidation or other administrative costs."; and

(8) in subparagraph (K) (as redesignated by paragraph (5)), by striking out "system, together" through the end thereof and inserting in lieu thereof the following: "system and the progress of the transition from the loan programs under this part to the direct student loan programs under part D of this title.".

## ADMINISTRATIVE COST ALLOWANCE

SEC. 216. Section 428(f)(1) of the Act is amended—

(1) in subparagraph (A), by striking out "The Secretary" and inserting in lieu there-

of "For a fiscal year prior to fiscal year 1994, the Secretary"; and

(2) in subparagraph (B), inserting "prior to fiscal year 1994" immediately following "any fiscal year".

## CONSOLIDATION LOANS

SEC. 217. Section 428C of the Act is amended—

(1) by amending subsection (a)(3)(A) to read as follows:

"(A) For the purpose of this section, the term "eligible borrower" means a borrower who, at the time of application for a consolidation loan is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will re-enter repayment through loan consolidation.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A)(ii), by inserting "with income-sensitive repayment terms" immediately following "obtain a consolidation loan";

(ii) by redesignating subparagraph (E) as subparagraph (F); and

(iii) by inserting immediately following subparagraph (D) the following new subparagraph:

"(E) that the lender shall offer an income-sensitive repayment schedule, established by the lender in accordance with the regulations of the Secretary, to the borrower of any consolidation loan made by the lender on or after July 1, 1994; and";

(B) in paragraph (4), by amending subparagraph (C) to read as follows:

"(C)(i) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid in accordance with clause (ii), during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M), and that any such period shall not be included in determining the repayment period pursuant to subsection (c)(2) of this section; and

"(ii) provides that interest shall accrue and be paid—

"(I) by the Secretary, in the case of a consolidation loan that consolidated only Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

"(II) by the borrower, or capitalized, in the case of a consolidation loan other than one described in subclause (I)"; and

(C) by adding at the end thereof the following new paragraph:

"(5) In the event that a borrower is unable to obtain a consolidation loan with income-sensitive repayment terms acceptable to the borrower from a lender with an agreement under subsection (a)(1), the Secretary shall offer any such borrower who applies for it, a direct consolidation loan to be repaid pursuant to an EXCEL Account under part D of this title, except that the Secretary shall not offer such loans if, in his or her judgment, the Department does not yet have the necessary origination and servicing arrangements in place for such loans."; and

(3) in subsection (c)—

(A) in paragraph (1), by amending subparagraphs (B) and (C) to read as follows:

(B) A consolidation loan made before July 1, 1994, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the greater of—

(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest whole percent; or

"(ii) 9 percent.

"(C) A consolidation loan made on or after July 1, 1994 shall bear interest at an annual

rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest whole percent."

(B) in paragraph (2)—

(i) in subparagraph (A)—

(1) in the matter preceding clause (i), by striking out "income sensitive repayment schedules. Such repayment terms" and inserting in lieu thereof "income sensitive repayment schedules, established by the lender in accordance with the regulations of the Secretary. Except as required by such income sensitive repayment schedules, or by the terms of repayment pursuant to an EXCEL Account offered by the Secretary under subsection (b)(5), such repayment terms"

(II) by redesignating clauses (i), (ii), (iii), (iv), and (v) as clauses (ii), (iii), (iv), (v), and (vi), respectively; and

(III) by inserting immediately preceding clause (ii) (as redesignated by subclause (II)) the following new clause:

(i) is less than \$7,500, then such consolidation loan shall be repaid in not more than 10 years;"

(ii) by striking out subsection (B); and

(iii) by redesignating subparagraph (C) as subparagraph (B); and

(C) in paragraph (3)(A), by inserting immediately following the subparagraph designation the following: "except as required by the terms of repayment pursuant to an EXCEL Account offered by the Secretary under subsection (b)(5)."

#### STUDENT LOAN MARKETING ASSOCIATION

SEC. 218. Section 439 of the Act is further amended by adding at the end thereof the following new subsection:

"(s) TRANSITION STUDY AND ACTIVITIES.—(1) The Secretaries of Education and the Treasury, in consultation with the Association, shall prepare a study, to be completed within six months of the enactment of this provision, which shall examine alternatives concerning the status, operations, and purposes of the Association during and after the transition from the Federal Family Education Loan program to the Federal Direct Student Loan program. Such alternatives shall include providing for an orderly transition of the Association from a Government-Sponsored Enterprise to a private corporation when the Federal Direct Student Loan program is fully implemented. Such study shall—

(A) consider how best to meet the needs of students and taxpayers;

(B) reflect the need for the Association to maintain liquidity and perform other functions for the Federal Family Education Loan program during the transition from such program to the Federal Direct Student Loan program under part D of this title, including additional duties as specified by the Secretary of Education of the Secretary of the Treasury;

(C) consider any appropriate changes to part D of title VII, relating to the College Construction Loan Insurance Association; and

(D) be considered by the Secretaries of Education and the Treasury in developing any legislative proposals concerning any changes to the status of the Association as a Government-Sponsored Enterprise or its duties under the Federal Family Education Loan program.

(2) The Secretaries of Education and the Treasury are directed to work with the Association to ensure that any changes in the Association's status, operations, or purposes are carried out efficiently and effectively.

#### AUTHORITY TO USE OPTICALLY IMAGED DOCUMENTS

SEC. 219. (a) Section 484A of the Act is amended—

(1) in the heading, by adding a semicolon and "OPTICALLY IMAGED DOCUMENTS" after "LIMITATIONS"; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) IN GENERAL.—It is the purpose of this subsection to—

"(A) allow the Secretary to use optical imaging technology to store and retrieve documents and records, including promissory notes and repayment agreements, required for the administration of the programs authorized under part D of this title, or for the administration of loans made under part B of this title that have been assigned to the Secretary;

"(B) permit the Secretary to destroy originals of such documents and records, including promissory notes and repayment agreements, after they have been optically imaged, thereby achieving significant savings in storage and retrieval costs; and

"(C) ensure that the Secretary may introduce as evidence in any proceeding with respect to the programs or loans described in subparagraph (A) optically imaged documents and records, including promissory notes and repayment agreements.

"(2) Notwithstanding any other provision of Federal or State law, an optically imaged copy of any document or record, including a promissory note or repayment agreement, may be introduced as evidence in any proceeding with respect to the programs or loans described in paragraph (1)(A) in any Federal or State court, or other tribunal, and such optically imaged copy shall be admissible in any court or tribunal of the United States or any State as if it were the original document or record and have the same force and effect as the original.

"(3) Nothing in this subsection shall be interpreted to preclude the admissibility of a duplicate of a document or record required for the administration of the programs or loans described in paragraph (1)(A) made by a technology other than optical imaging consistent with the Federal Rules of Evidence and section 1732 of title 28 of the United States Code, or applicable State law.

"(4) Nothing in this subsection shall be interpreted to preclude the admissibility of an optically imaged copy of any document or record in a proceeding outside the scope of this subsection consistent with the Federal Rules of Evidence and section 1732 of title 28 of the United States Code, or applicable State law."

"(b) Section 432 of the Act is amended by adding at the end thereof the following new subsection:

"(q) OPTICALLY IMAGED DOCUMENTS.—Records maintained in accordance with section 484A(c) may be used in any proceeding, as permitted by section 484A(c), with respect to a loan that was made under this part and has been assigned to the Secretary."

"(c) Section 487 of the Act is amended by adding at the end thereof the following new subsection:

"(f) USE OF OPTICALLY IMAGED DOCUMENTS.—In any proceeding with respect to a program or activity under part D of this title, or with respect to a loan made under part B of this title that has been assigned to the Secretary, records maintained in accordance with section 484A may be used as provided in that section."

#### PART B—AMENDMENTS TO OTHER LAWS

##### DISCLOSURE OF TAX RETURN INFORMATION

SEC. 221. (a) Section 6103(a)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(a)(3);

relating to confidentiality and disclosure of returns and return information; hereinafter referred to as "the Code") is amended by striking out "(1)(12)" and inserting in lieu thereof "(1)(10), (12), or (13)".

(b) Section 6103(1) of the Code is amended—

(1) in paragraph (10)(B), by striking out "officers and employees of an agency receiving return information under subparagraph (A) shall use such information" and inserting in lieu thereof "return information disclosed under subparagraph (A) may be used by officers and employees of an agency, and by officers, employees, and agents of the Department of Education,"; and

(2) at the end thereof, by adding a new paragraph to read as follows:

"(13) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.—

"(A) IN GENERAL.—The Secretary may, upon written request from the Secretary of Education, disclose to officers and employees of the Department of Education return information with respect to a taxpayer who has received a Federal loan under a student loan program and whose loan repayment amounts are based in whole or in part on the taxpayer's income. Such return information shall be limited to—

"(i) taxpayer identity information with respect to such taxpayer;

"(ii) the filing status of such taxpayer; and

"(iii) the adjusted gross income of such taxpayer (as defined in section 62).

"(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph (A) may be used by officers, employees, and agents of the Department of Education only for the purposes of, and to the extent necessary in, establishing an appropriate income contingent repayment level under a student loan program.

"(C) DEFINITIONS.—For purposes of this paragraph, the term "student loan program" means the program authorized under part D of title IV of the Higher Education Act of 1965 and includes loans under parts B and E of title IV of the Higher Education Act of 1965 that are in default and have been assigned to the Department of Education.

(c) Section 6103(m)(4) of the Code is amended—

(1) in the heading, by inserting "OWE AN OVERPAYMENT ON FEDERAL PELL GRANTS OR" immediately after "INDIVIDUALS WHO";

(1) in subparagraph (A)—

(A) by redesignating clauses (i) and (ii) as subclauses (I) and (II); and

(B) by striking out "of any taxpayer who" and inserting in lieu thereof "of any taxpayer—

"(i) who owes an overpayment of a grant awarded to that taxpayer under subpart 1 of part A of title IV of the Higher Education Act of 1965, or

"(ii) who"

(2) in subparagraph (B)—

(A) in clause (i), by striking out "under part B" and inserting in lieu thereof "under part B or D"; and

(B) in clause (ii), by striking out "under part E" and inserting in lieu thereof "under subpart 1 of part A, part D, or E";

(d) Section 6103(p) of the Code is amended—

(1) in paragraph (3)(A), by striking out "(11), or (12), (m)" and inserting in lieu thereof "(11), (12), or (13), (m)";

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking out "(10), or (11)," and inserting in lieu thereof "(10), (11), or (13).";

(B) in subparagraph (F)(ii), by striking out "(11), or (12)," and inserting in lieu thereof "(11), (12), or (13)."; and

(C) in the flush left material after subparagraph (F), by striking out "under subsection (1)(2)(B)" and inserting in lieu thereof "under paragraph (10), (12)(B), or (13) of subsection (1)".

(e) Subchapter A of chapter 64 of the Code is further amended by adding at the end thereof the following new section:

**"COLLECTION OF PAYMENTS ON FEDERAL DIRECT STUDENT LOANS**

"SEC. 6306. Upon a determination by the President under section 457(c)(2) of the Higher Education Act of 1965 concerning the implementation of a plan for the repayment of Federal Direct Student Loans through wage withholding or other means by the Internal Revenue Service, the Secretary of the Treasury may enter into an agreement with the Secretary of Education to provide for the collection of payments on loans made pursuant to part D of title IV of such Act. Notwithstanding any other provision of law, the Secretary of the Treasury may assess and collect such payments as though they were additional income taxes due, and may establish such procedures and conventions as are necessary under such agreement, including those related to withholding, payment of estimated tax, allocation of payments, and dispute resolution."

(f) Section 7213(a)(2) of the Code is amended by striking out "(10) or (12)" and inserting in lieu thereof "(10), (12), or (13)".

**AMENDMENT TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985**

SEC. 222. The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 252(c)(1)(B), by striking out "guaranteed";

(2) in section 256(b)—

(A) by striking out the subsection heading and inserting in lieu thereof the following: **EFFECT OF ORDERS ON STUDENT LOAN PROGRAMS.—**;

(B) by inserting immediately after the paragraph heading the following: **"FEDERAL FAMILY EDUCATION LOAN PROGRAM.—(A)";**

(C) by redesignating paragraphs (2) and (3) as subparagraphs (A) and (B), respectively;

(D) in paragraph (1)(A) (as redesignated in subparagraph (B)), by striking out "described in paragraphs (2) and (3)" and inserting in lieu thereof "described in subparagraphs (B) and (C)";

(E) in paragraph (1)(B) (as redesignated in subparagraph (C)), by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(F) by adding at the end thereof the following new paragraph:

"(1) **FEDERAL DIRECT STUDENT LOAN PROGRAM.—(A)** Any reductions that are required to be achieved from the Federal Direct Student Loan program operated under part D of title IV of the Higher Education Act of 1965 as a consequence of an order issued pursuant to section 254, shall be achieved only by the application of the measures described in subparagraph (B).

"(B) For any loan made during the period beginning on the date that an order issued under section 254 takes effect with respect to a fiscal year, and ending at the close of such fiscal year, the loan fee that is authorized to be collected pursuant to section 456(c) of such Act shall be increased by 0.50 percent."

**TITLE III—EFFECTIVE DATE**

SEC. 301. (a) Except as otherwise provided in this section, the amendments made by this title shall be effective upon enactment.

(b) The amendments made by section 213 of this Act shall be effective for loans made in

accordance with section 428 for periods of instruction beginning on or after July 1, 1993, or made on or after July 1, 1993, in the case of loans made in accordance with section 428A, 428B, or 428C of the Act.

(c) The amendments made by section 216 of this Act shall be effective on October 1, 1994.

(d) The amendments made by section 217 of this Act shall be effective for loans made on or after July 1, 1994.

**STUDENT LOAN REFORM ACT OF 1993—SECTION-BY-SECTION ANALYSIS**

**TITLE I—AMENDMENTS TO FEDERAL DIRECT LOAN DEMONSTRATION PROGRAM**

In general, title I of the bill would provide for sweeping changes to the current student loan programs under parts B (Federal Family Education Loan program) and D (Federal Direct Loan Demonstration program) of title IV (Student Assistance) of the Higher Education Act of 1965. These changes are founded on two basic, borrower-oriented principles: first, the Federal Government should simplify the process by which a student and his or her parents can obtain loans for the student's postsecondary education, and should reduce the costs of the student loan program to taxpayers and borrowers; and second, any student wanting to take a lower-paying job that serves his or her community should be encouraged to do so through flexible and affordable repayment of education loans.

The provisions set forth in this bill reflect these two principles. The first principle generates reforms to the "front end" of the current system, that is, to the mechanisms for obtaining and financing a student loan. Under the Federal Direct Student Loan Program (FDSLPL) proposed under this title of the bill, a variety of student loans, including loans for parents of students, would be obtained directly from the student's institution of higher education (IHE), without application to an outside lender. The proposed program would eliminate the complex procedures of loan insurance by guaranty agencies and reinsurance by the Secretary of Education. Qualified IHEs that chose to do so and were approved by the Secretary would originate an education loan for the student or the student's parents. A student at a participating IHE that did not qualify or wish to originate FDSLPL loans would be able to obtain his or her loans directly as well, through another IHE or agency that would act as an "alternative" originator of student loans.

The second principle generates reforms that, for the most part, focus on the "back end" of the system, that is, repayment of loans by student borrowers or their parents. In this area, the FDSLPL would provide for a variety of flexible repayment plans from which borrowers may choose the one best suited to their individual needs. All student borrowers in the proposed program would be able to choose from these repayment plans, including repayment plans based on income. Student borrowers who have Federal Family Education Loan (FFEL) program loans under the current system could also repay their loans based on their income. These repayment plans would likely discourage defaults, since borrowers would be better able to repay their loans, and encourage students to seek postsecondary education, since loan repayment would be less burdensome.

These reforms to the student loan system would result in significant cost savings to borrowers and taxpayers. The Omnibus Budget Reconciliation Act requires that all revenue and direct spending legislation meet a "pay-as-you-go" requirement. The effect of the provision in this bill, using the technical

assumptions in the President's Budget, are presented in the Table below.

The President's fiscal year 1994 budget includes several proposals that are subject to the "pay-as-you-go" requirement. Although in total these proposals would reduce the deficit, some of the proposals would increase the deficit. Therefore, this bill should be considered in conjunction with other proposals in the fiscal year 1994 budget.

*Effects based on technical assumptions in the President's budget*

(In millions of dollars)

Fiscal year:	Outlays
1994 .....	+106
1995 .....	-17
1996 .....	-399
1997 .....	-1,293
1998 .....	-1,771
1994-98 .....	-3,374

Based on information that became available after the estimate in the President's Budget was calculated, the Administration has developed an adjusted, higher estimate of the savings resulting from the bill, as well as revised estimates of spending under current law. Expected savings from the proposed direct lending system are estimated on this adjusted basis to be \$4.3 billion through fiscal year 1998. For official "pay-as-you-go" scoring purposes, however, the Administration must use the estimates in the Table.

The following is a description, analyzed by section number of the bill, of the details of the proposed FDSLPL:

Section 111. Section 111 of the bill would amend the heading for part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.; "the Act") to read "Federal Direct Student Loan Program."

Section 112. Section 112 of the bill would amend the program and payment authority in section 451 of the Act to reflect the replacement of the current Federal direct loan demonstration program with a new "phased-in" FDSLPL that would provide the Federal lending mechanism through which students and their parents would be able to obtain loans to pay for postsecondary education.

Purpose. Proposed section 451(a) of the Act would set forth the purposes of the FDSLPL. Consistent with the underlying principles of this title of the bill, these purposes would be to: (1) simplify the delivery of student loans to borrowers and eliminate borrower confusion; (2) provide borrowers with a variety of repayment plans, including an income contingent repayment plan through the EXCEL Account, so that borrowers have flexibility in managing their student loan repayment obligations and so that these obligations do not foreclose community service-oriented career choices for them; (3) replace, through an orderly transition, the FFEL program with the FDSLPL; (4) avoid the unnecessary cost to taxpayers and borrowers and the administrative complexity associated with the FFEL program through the use of a direct student loan program; and (5) create a more streamlined student loan program that can be managed more effectively at the Federal level.

Program authority. Proposed section 451(b) of the Act would provide that, in accordance with the FDSLPL, such sums as may be necessary for making FDSLPL loans would be made available to all eligible students in attendance at participating IHEs selected by the Secretary, as well as to the eligible parents of these students, to enable these students to pursue their courses of study at the IHEs during the period beginning July 1, 1994, and ending on June 30, 1998. Loans

under the FDSLPL would be made by participating IHEs that also have agreements with the Secretary to originate FDSLPL loans, or by alternative originators designated by the Secretary to make FDSLPL loans to students in attendance at participating IHEs, as well as to eligible parents of these students.

Section 113. Section 113 of the bill would replace the payment rules for the demonstration program in section 452 of the Act with funding provisions applicable to loan origination under the FDSLPL. This section of the bill would require the Secretary to provide funds for student or parent loans under the FDSLPL directly to a participating IHE with an origination agreement under proposed section 454(b) of the Act, or through an alternative originator designated by the Secretary, on the basis of the need and eligibility of students (and their parents) for FDSLPL loans at each participating IHE.

Origination payment. Section 113 of the bill would also require the Secretary to pay fees to a IHE originating loans under the new program. Payment levels would be established by the Secretary and would assist in meeting the cost of loan origination at the IHE. These fees would be based on all FDSLPL loans made to an individual borrower in an academic year and would be subject to a sliding scale that decreases the amount of these fees as the number of borrowers increases. The Secretary would also be authorized to pay fees to alternative originators of FDSLPL loans for their loan origination services.

For academic year 1994-1995, the fees paid to participating IHEs who originate FDSLPL loans would not exceed a program-wide average of \$10 per borrower for all the FDSLPL loans made to the borrower in the same academic year. The Secretary would establish these fees for subsequent academic years in regulations. Fees for alternative origination of FDSLPL loans would be established in accordance with the terms of the contract between the Secretary and the alternative originator.

Loan accessibility. Finally, section 113 of the bill would provide that no IHE would be deemed to have a right to participate in the FDSLPL, to originate FDSLPL loans, or to perform any FDSLPL program function. However, this provision could not be construed so as to limit the entitlement of an eligible student who is attending a participating IHE, or the eligible parent of that student, to borrow under the FDSLPL. For example, students at an IHE that participates in the FDSLPL but does not originate FDSLPL loans could receive an FDSLPL loan through the alternative origination process.

Section 114. Section 114 of the bill would amend section 453 of the Act, which currently governs selection of IHEs for the direct loan demonstration program. This section of the bill would focus on selection requirements for the phase-in portion of the FDSLPL, prior to full implementation of the program.

Proposed section 453(a) of the Act would require the Secretary to enter into agreements with IHEs (under proposed section 454(a) of the Act) to participate in the FDSLPL, as well as agreements with IHEs (under proposed section 454(b) of the Act) to originate loans in the proposed program, for academic years beginning on or after July 1, 1994. This proposed section of the Act would also require the Secretary to provide alternative origination services (through which an entity other than the participating IHE at which the student is in attendance would originate the FDSLPL loan), through one or

more contracts under proposed section 456 of the Act or such other means as the Secretary may provide, for students attending an IHE that is participating in the FDSLPL but not originating FDSLPL loans. Agreements for the first year of the program would, to the extent feasible, be entered into not later than January 1, 1994.

Phase-in goals. Proposed section 453(a) of the Act would also provide that, in order to ensure an expeditious and orderly transition from the FFEL program to the FDSLPL, the Secretary would be required, in the exercise of his or her discretion, to determine the number of IHEs with which to enter into participation or origination agreements in a given academic year. The provision would give the Secretary the flexibility needed to determine how rapidly to expand the FDSLPL in order to achieve the goals that: (1) for academic year 1994-1995, 4 percent of new Federal student loan volume under the FDSLPL and the FFEL program combined would be comprised of FDSLPL loans; (2) for academic year 1995-1996, 25 percent of new student loan volume for those two programs would be comprised of FDSLPL loans; (3) for academic year 1996-1997, this proportion is expected to increase to 60 percent; and (4) for academic year 1997-1998, FDSLPL loans would comprise all of the new student loan volume under parts B and D of title IV of the Act. Many of the other proposed authorities under the bill are also based on these transition goals.

Further, proposed section 453(a) of the Act would provide that the requirements of the Cash Management Improvement Act of 1990 (P.L. 101-453), which is designed to facilitate coordination between Federal and State governments on the use of Federal funds, would apply to the FDSLPL only to the extent specified in a schedule established by the Secretaries of Education and the Treasury, but not later than July 1, 1998. This temporary exemption would allow the provisions of the Cash Management Improvement Act, which takes effect on July 1, 1994, to be phased in on an orderly schedule, consistent with the implementation plan for the FDSLPL.

Selection criteria. Proposed section 453(b) of the Act would set forth the criteria to be used by the Secretary in selecting IHEs to participate in the FDSLPL and to originate FDSLPL loans. Each IHE desiring to participate in the FDSLPL would be required to submit an application to the Secretary containing such information and assurances as the Secretary may require. In order to include a variety of participants prior to full implementation of the FDSLPL, the Secretary would be required to select IHEs to participate in the first phase of the program, prior to full implementation of the FDSLPL, from among eligible applicants by categorizing them according to their anticipated loan volume, the length of their academic programs, and organizational control (such as public, private non-profit, or proprietary control). The Secretary would then select participants that are reasonably representative of IHEs in these respective categories, and would, if necessary to carry out the purposes of the FDSLPL, select additional IHEs.

Further, proposed section 453(b) of the Act would authorize the Secretary to enter into a supplemental agreement with a participating IHE, or a consortium of IHEs, that desires to originate FDSLPL loans and satisfies additional criteria. For academic year 1994-1995, the Secretary would be authorized to approve an IHE to originate FDSLPL loans only if the IHE: (1) made loans under the Federal Perkins Loan program in academic year 1993-1994 and did not exceed the applica-

ble maximum default rate under section 462(g) of the Act for the most recent fiscal year for which data are available; (2) were not on the reimbursement system of payment under the Federal Pell Grant program, the Federal Supplemental Educational Opportunity Grant program, the Federal Work-Study programs, or the Federal Perkins Loan program; (3) were not overdue on program or financial reports or audits required under title IV of the Act; (4) were not subject to an emergency action, or a limitation, suspension, or termination under section 428(b)(1)(T), 432(h), or 487(c) of the Act; (5) had not, in the Secretary's opinion, had significant deficiencies identified by the State postsecondary review entity under subpart 1 of part H of title IV of the Act; (6) had not, in the opinion of the Secretary, had severe program deficiencies for any of the programs under title IV of the Act, including those deficiencies demonstrated by audits and program reviews conducted during the five calendar years prior to the IHE's application to originate FDSLPL loans; and (7) provided an assurance that it has no delinquent outstanding debts to the United States, unless these debts are currently being repaid under, or in accordance with, a repayment arrangement satisfactory to the United States, or the Secretary, in his or her discretion, determines that the existence or amount of these debts had not been finally determined by the cognizant Federal agency.

Proposed section 453(b) of the act would also provide that, for academic year 1995-1996 and subsequent academic years, the Secretary would be required to publish regulations governing the selection of IHEs to originate FDSLPL loans.

Consortia. Finally, section 114 of the bill would remove those provisions of section 453 of the Act that are applicable to a demonstration program and would add an authority for eligible IHEs to apply to originate FDSLPL loans for students in attendance at the IHEs as consortia, subject to requirements prescribed by the Secretary. Each IHE in a consortium would be required to meet the eligibility requirements for participation in the FDSLPL and to have a participation agreement with the Secretary; an IHE that is not eligible to participate in the FDSLPL would not be able to join a consortium. The consortia provision would facilitate direct lending by encouraging an IHE that is eligible to participate in the FDSLPL but would not be originating FDSLPL loans to use the origination services of another member of the consortium.

Section 115. Section 115 of the bill would amend the demonstration program participation agreement provisions under section 454 of the Act to provide for implementation of the FDSLPL.

Participation agreements. Each IHE wishing to participate in the program would be required to sign an agreement with the Department. This standardized agreement would set forth the terms and conditions for participation, including IHE responsibilities and provisions for termination of the agreement within a fixed, but renewable, time period. The participation agreement under proposed section 454(a) of the Act would provide for the establishment and maintenance of the FDSLPL at the IHE, under which the IHE would: (1) identify eligible students who seek student financial assistance in accordance with section 484 of the Act; (2) estimate the need of each such student (as required by need analysis provisions of part F of title IV of the Act) for an FDSLPL loan; and (3) set forth a schedule for disbursement of the proceeds

of the FDSLSP in installments, consistent with the requirements of section 428G of the Act. The IHE would also be required to provide to the Secretary timely and accurate information concerning: (1) the status of student borrowers (and students on whose behalf parents have an FDSLSP loan), while students are attending the IHE, and new information of which the IHE becomes aware for these students (or their parents) after they leave the IHE, for the Secretary's use in servicing and collecting FDSLSP loans; and (2), if the IHE is not an FDSLSP loan originator, student eligibility and need for an FDSLSP loan, as needed for alternative origination services for student and parents borrowers.

In estimating a student's need and eligibility, an IHE would be required under the participation agreement to provide a statement that certifies the eligibility of a student to receive an FDSLSP loan not in excess of the applicable maximum amount. The participation agreement would also authorize the IHE, in exceptional circumstances specified by the Secretary, to refuse to certify a statement that permits a student to receive an FDSLSP loan or to certify a loan amount that is less than the student's determination of need, if the reason for this action is documented and provided to the student. The "exceptional circumstances" provision is a change from the current FFEL provision, which does not set clear limits on the IHE's discretion to refuse to certify a student's eligibility and which might harm deserving students.

Further, the participation agreement would provide that, for an academic year for which an IHE has determined a student's need (under part F of title IV of the Act), a Federal Direct Supplemental Loans for Students loan (with terms similar to those under section 428A of the Act), or a Federal Direct PLUS loan (with terms similar to those under section 428B of the Act), or a loan obtained under a State-sponsored or private loan program, may be used to offset the expected family contribution of the student for that year. This provision, which is similar to a provision in the FFEL program, is designed to aid middle income borrowers by allowing them to borrow the amount of their expected family contribution.

Under the participation agreement set forth in proposed section 454(a) of the Act, the IHE would also: (1) provide assurances that it will comply with the requirements specified by the Secretary relating to FDSLSP loan information; (2) provide that it accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the participation agreement; (3) provide that its students and their parents will not be eligible to participate in the FFEL program for the period of time during which the IHE participates in the FDSLSP; (4) provide for the implementation of a quality assurance program, to ensure that the IHE is complying with program requirements and meeting program objectives; (5) not charge fees (with the exception of the loan fee to the Secretary under proposed section 456(c) of the Act) of any kind, however described, to student or parent borrowers for origination activities or for providing any other information needed for receiving a FDSLSP loan; and (6) include other provisions that may be necessary to protect the interests of the United States and to promote the purposes of the FDSLSP.

Most of these participation agreement requirements would provide for activities and potential liabilities with which IHEs partici-

pating in the FFEL program are already familiar. For example, it is expected that the FDSLSP participation agreement would be standardized and would be similar to the current program participation agreements under section 487 of the Act for the current title IV, HEA programs. That agreement currently provides that the institution agrees that it is responsible for accounting, with appropriate documentation, for all the program funds it receives under that title and for returning to the Secretary any funds for which it cannot properly account.

Origination agreements. Section 115 of the bill would also set forth, in proposed section 454(b) of the Act, requirements for origination agreements under the FDSLSP. An origination agreement, which, like a participation agreement, would also be standardized, would supplement the participation agreement and include provisions with respect to the origination of loans by the IHE that are similar to provisions described in that agreement. In addition, the origination agreement would provide that the IHE will originate loans to eligible students and parents in accordance with FDSLSP provisions and that the note or evidence of obligation on the loan would be the property of the Secretary.

In general, an IHE's responsibilities under the FDSLSP are likely to be a simpler than an IHE's current loan activities in the Federal Perkins Loan program, under which an IHE services and collects loans, and maintains a revolving loan fund.

Withdrawal or termination. Finally, proposed section 454(c) of the Act would require the Secretary to prescribe procedures by which IHEs may withdraw or be terminated from the FDSLSP.

Section 116. Section 116 of the bill would amend section 456 of the Act to provide new terms and conditions for FDSLSP loans. In general, these terms and conditions are designed to provide borrowers with an assortment of loan repayment plans and to reduce interest rates for student borrowers, while maintaining an orderly transition from the guaranteed loan system.

Similarity with FFEL program loans. Proposed section 456(a) of the Act would provide that, unless otherwise specified, loans made to borrowers under the FDSLSP would have the same terms, conditions, and benefits as loans made to borrowers for Federal Stafford Loans (under section 428 of the Act), Federal Supplemental Loans for students (under section 428A of the Act), Federal PLUS Loans (under section 428B of the Act), and Unsubsidized Stafford Loans for Middle Income Borrowers (under section 428H of the Act). The FDSLSP loans would be known respectively as Federal Direct Stafford Loans, Federal Direct Supplemental Loans for Students, Federal Direct PLUS Loans, and Federal Direct Unsubsidized Stafford Loans. Each of these direct loans would have, unless otherwise specified, the terms, conditions, and benefits of its corresponding guaranteed loan under the FFEL program. Under the FDSLSP, the Secretary would also have the authority to consolidate loans, as provided in proposed section 456(g) of the Act.

Interest rates. Proposed section 456(b) of the Act would set forth the interest rate provisions that would apply to FDSLSP loans. This section would make inapplicable to FDSLSP loans section 427A(a) of the Act, which provides that a student loan borrower received any subsequent student loans at the same interest rate as the first student loan the student borrowed ("grandfathering"). This grandfathering provision is administratively burdensome and less appropriate when

variable interest rates are used. Proposed section 456(b) of the Act would also provide that interest rates under the FDSLSP would be calculated on a 112-month period beginning July 1 and ending June 30, to be determined for the loan program as a whole on the preceding June 1, using financial instruments auctioned at the final auction held prior to that June 1.

For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made before July 1, 1997, the interest rate would be equal to the bond equivalent rate of 91-day Treasury bills plus 3.1 percent, with a cap (on the total amount of interest rate) at 9 percent. Federal Direct Supplemental Loans for Students made before July 1, 1997, would have an interest rate equal to the bond equivalent rate of 52-week Treasury bills plus 3.1 percent, with a cap at 11 percent. Federal Direct PLUS Loans made before July 1, 1997, would have an interest rate equal to the bond equivalent rate of 52-week Treasury bills plus 3.1 percent, with a cap at 10 percent.

The interest rate for loans made under these programs on or after July 1, 1997, would be the bond equivalent rate of the security with a comparable maturity (using the national average for each type of FDSLSP loan), plus a certain percentage, with a cap. The cap on interest rates for each type of FDSLSP loan would be the same for borrowers before and after July 1, 1997. For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans, the additional percentage would be 1 percent, with a cap at 9 percent. For Federal Direct Supplemental Loans for Students, this additional percentage would be 1.5 percent, with a cap at 11 percent. Federal PLUS Loans would have an additional percentage of 2.1 percent, with a cap at 10 percent.

Under the Federal Credit Reform Act of 1990, the cost of all Federal credit programs is estimated on a net present value basis, using as a discount rate the Federal cost of borrowing to a security with comparable maturity to the loans in the applicable program. Comparable maturity is defined as the time between the loan disbursement and the estimated final year of the loan. The interest rate provision for FDSLSP loans made on or after July 1, 1997, would link the rate charged to borrowers to the Federal discount rate, thus ensuring that there would not be artificial savings or cost estimates generated by changes in interest rates.

These interest rate provisions, for loans made both before and after July 1, 1997, are less complex than those in section 427A of the Act for the current FFEL program. In addition, it is expected that, under current economic assumptions, the provision setting interest rates for loans made on or after July 1, 1997, will result in an interest rate that would be lower, by approximately one-half of one percentage point, for all new FDSLSP student loans, thus generating savings for student borrowers under the new program.

Loan fee. Proposed section 456(c) of the Act would provide that the Secretary shall charge the borrower of a FDSLSP loan a fee that is not less than 5 percent and nor greater than 6.5 percent of the principal amount of the loan. Currently, 5 percent is the amount of the origination fee charged to borrowers under the FFEL program, and 6.5 percent is the approximate national average for insurance premium plus origination fees under that program.

Repayment plans. Proposed section 456(d) of the Act would require the Secretary to offer a variety of plans for repayment of

FDSLSP loans. The Secretary would be required to design each repayment plan so that, to the extent possible, the cost to the Federal Government for each cohort of borrowers would not exceed the cost if all borrowers in the cohort selected the standard repayment plan.

Under these provisions, the eligible student borrower would be able to choose from four different types of repayment plans the type of plan that best addresses the borrower's needs. These repayment plans would be: (1) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time; (2) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, provided that the borrower annually repays a minimum amount determined by the Secretary; (3) a graduated repayment plan, with annual repayment amounts established at two or more graduated levels paid over a fixed or extended period of time (provided that any of the borrower's scheduled payments are not less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan); and (4) an income contingent repayment plan, to be known as an "EXCEL Account," with varying annual repayment amounts based on the income of the borrower, paid over a period of time not to exceed a maximum length as determined by the Secretary. Eligible parent borrowers would be able to choose from among standard repayment, graduated repayment, and extended repayment plans.

Since, unless otherwise noted in the bill, the terms and conditions of FDSLSP loans would be the same as those under the FFEL program, the standard repayment plan for a FDSLSP loan would contain several repayment features that are the same as those under the FFEL program. For example, a fixed repayment period under the FDSLSP would be 10 years (excluding periods of deferment or forbearance) as in the FFEL program. The extended repayment plan is intended to accommodate borrowers who prefer to make payments that are unchanged over a repayment period of moderate length, for example, 15 years. The graduated repayment plan is designed to ensure that borrowers may increase their payments while their income rises, but are not faced with a "balloon" payment at the end of their loan period that they would be unable to afford. The graduated repayment plan could extend over a moderately lengthy period as well, for example, 15 years.

The EXCEL Account is intended to accommodate borrowers whose income after graduation from an IHE is low, and thus would be attractive to borrowers who plan to enter lower-paying community service jobs. Individual payments under an income contingent repayment plan could be quite small, and borrowers would be able to stretch out repayment over a very lengthy period, for example, 40 years. It is expected that the period of repayment on an income contingent loan would not extend for the borrower beyond age 65.

In addition, proposed section 456(d) of the Act would provide that if a borrower of a FDSLSP loan does not select a repayment plan, the Secretary may provide the borrower with the standard repayment plan, graduated repayment plan, or extended repayment plan. Since an EXCEL Account would involve disclosure by the Internal Revenue Service of the borrower's income information, it would be more appropriate for

a borrower (whose loan has not been in default and assigned to the Secretary) to choose this repayment plan instead of having it chosen for him or her by the Secretary.

The borrower of a FDSLSP loan may also change his or her selection of a repayment plan, or the Secretary's selection of a plan for the borrower, as the case may be, under terms and conditions established by the Secretary. Further, the Secretary would be authorized to provide an alternative repayment plan to a borrower of a FDSLSP who demonstrates to the satisfaction of the Secretary that the terms and conditions of the four other types of repayment plans are not adequate to accommodate the borrower's exceptional circumstances. The Secretary would also be authorized to require a borrower who has defaulted on a FDSLSP loan to pay all reasonable collection costs associated with that loan and to repay the loan under an EXCEL Account.

Proposed section 456(d) of the Act would authorize the Secretary to obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a FDSLSP loan that is, or may be, subject to an EXCEL Account plan for the purpose of determining the amount of the borrower's annual repayment obligation. The Secretary would be required to establish procedures to effectively implement this repayment plan, including procedures for determining the borrower's repayment obligation.

Further, proposed section 456(d) of the Act would authorize the Secretary to obtain income information from the borrower, or the borrower and his or her spouse, if applicable, if the FDSLSP were part of an EXCEL Account. The Secretary would be required to establish procedures for determining the borrower's repayment obligation under this plan, and any other procedures necessary to implement an EXCEL Account.

An EXCEL Account schedule for a FDSLSP loan would be based on the adjusted gross income (as defined in section 62 of the Internal Revenue Code) of the borrower, or, if the borrower is married and files income tax information jointly with his or her spouse, on the adjusted gross income of both partners. It would be unlikely, given the financial disincentives for married couples to file separate returns, that a married borrower with little or no income would file separately in order to take advantage of a more favorable repayment schedule on his or her FDSLSP loan. A borrower who chooses to, or is required to, repay a FDSLSP loan through an EXCEL Account and whose adjusted gross income is unavailable or does not reasonably reflect his or her current income, would be required to provide to the Secretary other documentation of income, which may be used to determine an appropriate repayment schedule.

The Secretary would be required to establish an EXCEL Account repayment schedule for a FDSLSP loan through regulations, and to require payments measured as a percentage of the appropriate portion of the annual income of the borrower (and the borrower's spouse, if applicable) as determined by the Secretary.

Finally, proposed section 456(d) of the Act would require that the balance due on an income contingent FDSLSP loan equal the unpaid principal amount of the loan, as well as any accrued interest and any fees, such as late charges. The Secretary may limit by regulation the amount of interest that may be capitalized on the loan and the timing of that capitalization; this provision is de-

signed to prevent capitalization that would be burdensome to a borrower, for example, if the interest on the loan were substantially greater than the outstanding principal. Further, the Secretary would be required to establish procedures under which the borrower of a FDSLSP loan who will be using an EXCEL Account will be notified of the terms and conditions of the repayment plan, including notification that: (1) the Internal Revenue Service will disclose to the Secretary the most recent available information concerning the borrower's income; and (2) if a borrower considers that special circumstances, such as loss of employment by the borrower or his or her spouse, would warrant an adjustment in the borrower's loan repayment level, the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with established criteria.

Deferment. Proposed section 456(e) of the Act would provide that a borrower of a FDSLSP loan who is eligible for a deferment would not be required to pay periodic installments of principal during the period of deferment. Borrowers under the FDSLSP would be entitled to the same deferment terms as new borrowers (after July 1, 1993) under the FFEL program. Interest would not accrue during a deferment on a Federal Direct Stafford Loan, or a Federal Direct Consolidation Loan that consolidated only subsidized FDSLSP or FFEL program loans (Federal Direct Stafford Loans and subsidized Federal Stafford Loans). Interest would accrue and be capitalized, or paid by the borrower, in the case of a Federal Direct Supplemental Loan for Students loan, a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan that consolidated one or more loans that were not subsidized.

A borrower would be eligible for a deferment during any period in which the borrower was pursuing at least a half-time course of study at an eligible IHE, or pursuing a course of study under a graduate fellowship program approved by the Secretary, or a rehabilitation training program, approved by the Secretary, for individuals with disabilities. The borrower would also be eligible for a deferment during a period of not more than three years during which time the borrower (1) is seeking and unable to find full-time employment, or (2) has experienced or will experience an economic hardship, as determined by the Secretary in accordance with regulations for section 435(o) of the Act. However, a borrower would not be eligible for a deferment, or for a FDSLSP loan other than a Federal Direct PLUS Loan or a Federal Direct Consolidation Loan, while serving a medical internship or residency program.

Forbearance. Proposed section 456(f) of the Act would provide that a borrower of a FDSLSP loan would be eligible for forbearance if the borrower were willing but unable to make scheduled payments on the loan. Forbearance would mean permitting the temporary cessation of loan payments, allowing an extension of time for making these payments, or temporarily accepting smaller payments than previously scheduled. Interest would accrue and be capitalized, or paid by the borrower.

National service. A borrower of an FDSLSP loan who is also serving in a qualified national service position would be eligible for a deferment, consistent with the provisions noted above, and for forbearance during periods in which the borrower is serving in this position. A borrower who is serving in a na-

tional service position would be eligible for forbearance if he or she did not qualify for a deferment or if the available deferment period had been exhausted. Forbearance in this case would mean temporary cessation of payments unless the borrower chose otherwise.

**Consolidation.** Proposed section 456(g) of the Act would provide that a borrower of a FDSLPL Loans (subsidized and unsubsidized), Federal Supplemental Loans for Students loans, and Federal Perkins Loans made under the Act, as well as Health Professional Student Loans made under title VII, part C-II, of the Public Health Service Act. If a borrower has at least one FDSLPL loan, his or her loans made under either the FFEL program or the FDSLPL could, at the borrower's option, be consolidated into a Federal Direct Consolidation Loan, which would have many of the same terms and conditions as Federal Consolidation Loans under section 428C of the Act. However, a loan made under the FDSLPL could not be consolidated under section 428C of the Act.

**Borrower defenses.** Proposed section 456(h) of the Act would require the Secretary, notwithstanding any other provision of State or Federal law, to specify in regulations (except as authorized under proposed section 459(a)) of the Act which acts or omissions of an IHE may be asserted by a borrower as a defense to repayment of a loan made under the FDSLPL, except that in no event would a borrower recover an amount from the Secretary in an action arising from or relating to a FDSLPL loan that would be more than the amount the borrower had repaid on the loan.

**FDSLPL records.** Proposed section 456(i) of the Act would provide that records maintained in accordance with section 484A(c) of the Act may be used in any proceeding, as permitted by section 484A(c) of the Act, with respect to a FDSLPL loan. This would allow for the use of optically imaged documents in any proceedings involving FDSLPL loans.

**Bankruptcy.** Finally, proposed section 456(j) of the Act would provide that, notwithstanding any other provision of law, a FDSLPL loan is not dischargeable in bankruptcy. The broad spectrum of repayment plans available to a FDSLPL borrower would provide ample flexibility to manage this debt, thus obviating the need to turn to bankruptcy courts for financial relief.

**Section 117. Contracts.** Section 117 of the bill would amend the loan collection and procurement contract authority in section 457 of the Act to reflect the expansion of the demonstration program into the FDSLPL. This section of the bill would allow the Secretary to provide for services and supplies for the FDSLPL through one or more contracts. The entities with which the Secretary may award contracts would include, but not be limited to, agencies, such as guaranty agencies, with which the Secretary has agreements under section 428(b) and 428(c) of the Act. However, these agencies must be otherwise qualified and comply with the procedures applicable to the award of the contract.

This section of the bill would also provide that the Secretary may, through June 30, 1998, award contracts without regard to the requirements in 41 U.S.C. 253, 41 U.S.C. 416, and 15 U.S.C. 637(e), and the corresponding requirements of the Federal Acquisition Regulations. These requirements concern competition procedures, procurement notices, and notices of solicitation. However, this exemption authority would be limited to a case-by-case determination that an exemption would be in the public interest and would be necessary for the orderly transition

from the FFEL program to the FDSLPL. Moreover, the exemption authority would not be applicable on or after July 1, 1998.

The Secretary would be authorized to enter into one or more contracts for: (1) the alternative origination of loans to students attending IHEs with FDSLPL participation agreements (or to the parents of these students), if these IHEs do not have origination agreements; (2) the servicing and collection of FDSLPL loans; (3) the establishment and operation of one or more data systems for the maintenance of records on all FDSLPL loans; (4) services to assist in the orderly transition from the FFEL program to the FDSLPL; and (5) such other aspects of the FDSLPL as the Secretary determines are necessary to ensure its successful operation.

The contract authorities under this section of the bill would give the Secretary the administrative flexibility necessary under the expected transition schedule to ensure loan access prior to full implementation of the FDSLPL. Where feasible during this period, the Secretary expects to utilize the competitive process when awarding contracts for FDSLPL services.

**Section 118. Reports and evaluations.** Section 118 of the bill would amend the reporting requirements in section 458 of the Act. Proposed section 458(a) of the Act would retain the requirement in current law that the Secretary transmit to the Congress, not later than July 1, 1993 and each July 1 for the five succeeding years, an annual report on the status of the program under part D of title IV of the Act. Since this report would concern the phase-in of the FDSLPL rather than the operation of a demonstration program, other provisions relating to interim reports, control groups, and treatment of costs would be removed.

Proposed section 458(b) of the Act would require additional evaluations of the FDSLPL. This provision would authorize the Secretary to use a portion of funding for the FDSLPL for research on, or demonstration or evaluation of, any aspects of the FDSLPL, including flexible repayment plans.

**Education/Treasury study.** Proposed section 458(c) of the Act would require the Secretaries of Education and the Treasury to develop a plan, to be sent to the President by no later than six months after the enactment of this provision, that provides for FDSLPL loan repayment through wage withholding by the Internal Revenue Service and evaluates the feasibility of several other repayment options for FDSLPL loans. This proposed section of the Act would also provide that, if the President determined that implementation of one or more repayment options contained in the plan would advance the purposes of the FDSLPL, then these Secretaries would be authorized to take reasonable and necessary actions to implement that repayment option or options. The Secretary of Education would be authorized to use whatever amounts may be necessary from funds available under proposed section 459 of the Act to implement the President's selection of repayment options, and would be required to make available to the Secretary of the Treasury an amount the Secretaries determine would be needed to implement repayment options carried out by the Internal Revenue Service.

**Section 119. Regulations.** Section 119 of the bill would amend section 459 of the Act regarding the Secretary's regulatory activities. In accordance with the expected transition schedule from the FFEL program to the FDSLPL noted above and the need to develop mechanisms for direct lending and income

contingent repayment of student loans as expeditiously as possible, this section of the bill would require the Secretary to publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this proposed part, the Secretary determines are reasonable and necessary for the successful implementation of the first year of the FDSLPL.

This section of the bill would also provide that the rulemaking requirements under section 431 of the General Education Provisions Act would not apply with regard to publication of these first-year, but only these first-year, standards, criteria, and procedures. Finally, section 119 of the bill would make conforming amendments to other provisions concerning the Secretary's regulatory activities under section 459 of the Act, and would remove the requirement that the Secretary award procurement contracts not later than February 1, 1994, since these provisions would be incompatible with the proposed expansion and transition to the FDSLPL.

**Section 120.** Section 120 of the bill would repeal section 455 of the Act, which concerns institutional withdrawal and termination procedures for the demonstration program that would no longer be applicable, and would make conforming redesignations of section numbers within part D of title IV of the Act. The institutional withdrawal and termination procedures would be incorporated in provisions for agreements with IHEs under the FDSLPL (in proposed section 454(c) of the Act). Redesignation would create the following statutory structure for the FDSLPL:

*Part D—Federal Direct Student Loan Program*

Sec. 451. Purpose; Program Authorization.

Sec. 452. Funds for Origination of Direct Student Loans.

Sec. 453. Selection by the Secretary.

Sec. 454. Agreements with Institutions.

Sec. 455. Terms and Conditions of Loans.

Sec. 456. Contracts.

Sec. 457. Reports.

Sec. 458. Regulatory Activities by the Secretary.

Sec. 459. Funds for Administrative Expenses.

**Section 121. Expenditure authority.** Section 121 of the bill would amend the mandatory expenditure authority (which would be redesignated as proposed section 459 of the Act) to provide for the expanded program proposed by this bill. This section of the bill would provide that the following funds would be available to the Secretary to be obligated for administrative costs of the FDSLPL, including the costs of the transition from the FFEL program to the FDSLPL and transition support for the expenses of guaranty agencies in servicing outstanding loans in their portfolios and in guaranteeing new loans: not to exceed \$261,000,000 in fiscal year 1994; not to exceed \$346,000,000 in fiscal year 1995; not to exceed \$552,000,000 in fiscal year 1996; not to exceed \$596,000,000 in fiscal year 1997; and not to exceed \$749,000,000 in fiscal year 1998.

Section 121 of the bill would also provide that, if in any fiscal year, the Secretary determines that additional funds for administrative expenses are needed as a result of the transition from the FFEL program to the FDSLPL, or the expansion of the FDSLPL, the Secretary would be authorized to use funds available under this proposed section of the Act for a subsequent fiscal year for these expenses. The Secretary would also be authorized to carry over funds to any subsequent fiscal year.

## TITLE II—CONFORMING AMENDMENTS

## Part A—Conforming amendments to the Higher Education Act of 1965

In general, part A of title II of the bill would amend current law in conformity with the proposed transition to a fully implemented FDSLSP, while avoiding unnecessarily disruptive changes to current FFEL program operations. Several provisions in the FFEL program that are particularly beneficial to student borrowers have been retained, such as the requirement in section 428(b)(1)(E)(i) of the Act that lenders offer borrowers an income sensitive repayment plan. While there are several differences between the income-based repayment plans under the FDSLSP and the FFEL program, notably in the length of repayment and the mechanism for disclosing and verifying income, the bill would provide borrowers mechanisms to repay their loans based on their income, regardless of whether the loans were made under the FDSLSP or the FFEL program.

This portion of the bill has also been drafted to preserve access to FFEL loans during the transition period, provide predictability to current financial markets, and help guaranty agencies carry out their responsibilities. It is expected that, while the FDSLSP would be fully implemented by the end of academic year 1997-1998, guaranty agencies and other institutions participating in the FFEL program will be servicing, tracking, and reporting on outstanding FFEL program loans for many years to come. Guaranty agencies would continue to carry out insurance and related activities for FFEL program loans, as long as that program requires these activities, and would be able to participate in the FDSLSP through contracts with the Secretary whenever they demonstrate that they can best provide a service at a competitive price.

The particular amendments to the FFEL program are as follows, analyzed by section numbers of the bill:

**Section 211. Loan access.** Section 211 of the bill would make several changes to the FFEL program to provide the Secretary, as noted in section 211(a) of the bill, with the flexible authority needed in order to preserve access to student and parent loans under the FFEL program during the transition from that program to the FDSLSP.

Section 211(b) of the bill would add to the lender-of-last-resort provision in section 428(j) of the Act a new authority for the Secretary, in order to ensure availability of loan capital during the transition from the FFEL program to the FDSLSP, to provide a guaranty agency with additional advance funds in accordance with the emergency advances provision under section 422(c)(7) of the Act. This advance would be made with restrictions on the use of these funds, as determined appropriate by the Secretary, in order to ensure that the guaranty agency would make loans as the lender-of-last-resort. The guaranty agency would be required to make loans in accordance with the provisions of proposed section 428(j) of the Act and the requirements of the Secretary.

Section 211(b) of the bill would also provide that, as a lender-of-last-resort and notwithstanding any other provision of part B of title IV of the Act, the guaranty agency would be paid a fee, in lieu of interest and special allowance subsidies, for making these loans and would be required to assign these loans to the Secretary on demand (in return for which the portion of the advance represented by the loans shall be considered repaid by the guaranty agency). Finally, sec-

tion 211(b) of the bill would make conforming amendments to the emergency advances provision under section 422(c)(7) of the Act.

Section 211(c) of the bill would amend the lender referral services provisions in section 428(e) of the Act. This section of the bill would authorize the Secretary to enter into agreements with guaranty agencies that meet standards established by the Secretary to provide lender referral services in geographic areas specified by the Secretary. The agencies would be paid under the terms provided in section 428(e)(3) of the Act for these services. In addition, the Secretary would be required to publish in the Federal Register whatever standards, criteria, and procedures, consistent with the FFEL program and the FDSLSP, the Secretary determines are reasonable and necessary to provide lender referral services and to ensure loan access to student and parent borrowers during the transition period. Section 431 of the General Education Provisions Act, concerning rule-making, would not apply to publications of these standards, criteria, and procedures.

Section 211(c) of the bill would also modify the geographic criteria under which students would be able to receive lender referral services, consistent with the other amendments to this provision. Finally, section 211(c) of the bill would remove the specific authorization of appropriations for lender referral services payments, but would retain the payment formula in current law. Funds for these payments would be part of the transition funds available under proposed section 459 of the Act.

Section 211(d) of the bill would amend the lender-of-last-resort provision for Sallie Mae under section 439(q) of the Act. This section of the bill would require (rather than permit, as in current law) Sallie Mae or its designated agent to begin making FFEL program loans as the lender-of-last-resort, subject to the limitations in section 428(j)(3) of the Act, whenever the Secretary determines that eligible borrowers are unable to obtain these loans and requests Sallie Mae to do so. (Section 428(j)(3) of the Act provides that a guaranty agency or lender is not required to make loans to an IHE that has a high default rate, has not participated in the FFEL program for the past 18 months, or is subject to an emergency action or limitation, suspension, or termination proceeding.) Sallie Mae or its designated agent would be required to stop making lender-of-last-resort loans when the conditions that caused the exercise of this loan-making authority have ceased to exist.

**Section 212. Preservation of guaranty agency assets.** Section 212 of the bill clarifies the Act to reflect the longstanding and judicially supported view that the guaranty agency's assets are dedicated to the loan programs and may not be used for unauthorized purposes. This authority would allow the Secretary to ensure that program assets are used to operate the loan program in the most efficient way possible, consistent with an orderly transition to the FDSLSP.

Thus, this section of the bill would add to the guaranty agency reserves provisions in section 422 of the Act a clarification that, notwithstanding any other provision of law, the reserve funds of the guaranty agencies, and any assets purchased with these reserve funds, regardless of who holds or controls the reserves or assets, are the property of the United States, to be used in the operation of the FFEL program or the FDSLSP. These reserves would be required to be maintained by each guaranty agency to pay program expenses and contingent liabilities, as author-

ized by the Secretary. The Secretary would be prohibited from requiring the return of all of a guaranty agency's reserve funds unless the Secretary determines that the return of these funds were essential to the operation of the FFEL program or the FDSLSP, or to ensure the orderly termination of the guaranty agency's operations and the liquidation of its assets. However, the Secretary would also be authorized to direct a guaranty agency to: (1) return to the Secretary all or a portion of its reserve fund that the Secretary determines is not needed to pay for the agency's program expenses and contingent liabilities; and (2) require the return to the Secretary or the guaranty agency of any funds or assets held by, or under the control of, any other entity, which the Secretary determines are necessary to pay the program expenses and contingent liabilities of the agency, or which are required for the orderly termination of the agency's operation and liquidation of its assets.

This section of the bill would also provide that, in order to ensure preservation of a guaranty agency's funds and assets, any contract that concerns the administration of any guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the agency's reserve funds, and that is entered into or extended by the guaranty agency (or any other party on behalf of, or with the concurrence of, the guaranty agency) after the effective date of this provision of the bill is required to include a provision that the contract is terminable by the Secretary. This termination provision could be implemented by the Secretary upon 30 days notice to the contracting parties if the Secretary determined that the contract included an impermissible transfer of reserve funds or assets, or was otherwise inconsistent with the terms or purposes of section 422 of the Act.

**Section 213. Modification of FFEL program loan terms.** Section 213 of the bill would amend the terms of loans under the FFEL program in section 428 of the Act. This section of the bill would require that an insurance program agreement provide for income contingent repayment following a borrower's default, and would authorize the Secretary to require any borrower who has defaulted on a loan made under the FFEL program and whose loan is assigned to the Secretary to repay that loan under an income contingent repayment plan, the terms and conditions of which would be established by the Secretary and would be the same as or similar to the EXCEL Account established for purposes of the FDSLSP.

Section 213 of the bill would also add a forbearance requirement to the agreement provision in section 428 of the Act. A lender, upon written request, would be required to grant forbearance, on terms consistent with the Secretary's regulations, to a borrower who is serving in a national service position, during the period of the borrower's service, for which he or she receives a national service educational award under the National Service Trust Act of 1993. Sections 428(b)(1)(V)(iii) and 428(b)(1)(V)(iv) of the Act would apply, so that forbearance would be considered a temporary cessation of payments unless the borrower selected a different form of forbearance, no administrative fee could be charged for forbearance services, and no adverse credit information could be reported. A borrower serving in a national service position would be eligible for forbearance if he or she did not qualify for a deferment, or if the deferment period had lapsed. Forbearance in this case would

mean temporary cessation of payments unless the borrower chose otherwise. Interest would accrue on this loan and would be capitalized or paid by the borrower.

Section 214. Loan assignment. Section 214 of the bill would amend section 428(c)(8) of the Act, concerning assignment of loans from guaranty agencies to the Secretary when it is in the Federal interest to do so. This section of the bill would remove provisions that would no longer be appropriate, given the proposed expansion of the direct lending program. It would also add a provision stating that an orderly transition from the FFEL program to the FDSLSP shall be deemed to be in the Federal financial interest, and a requirement that a guaranty agency promptly assign loans to the Secretary, if deemed by the Secretary to be necessary to protect the Federal financial interest, upon the Secretary's request.

Section 215. Guaranty agency functions. Section 215 of the bill would make changes to section 428(c)(10) of the Act, regarding guaranty agency reserves, in conformance with the transition to the FDSLSP. Section 215(1) of the bill would no longer require the Secretary to require a guaranty agency that has low reserves or is financially or administratively impaired to submit an 18-month management plan to the Secretary before the Secretary takes other steps concerning that agency. The Secretary would require a management plan only as appropriate, consistent with the transitional nature of the FFEL program.

Section 215(2) of the bill would also allow modification of a guaranty agency's management plan in conformity with the transition to the FDSLSP. This section of the bill would provide that, if the Secretary is seeking to terminate the guaranty agency agreement or assume the agency's functions, the agency's management plan would include the means by which the agency and the Secretary will work together to ensure an orderly termination of operations and liquidation of the agency's assets.

Section 215(3) of the bill would give the Secretary increased flexibility to terminate a guaranty agency's agreement by allowing the Secretary to terminate the agreement if the Secretary determines that termination is necessary to protect the Federal financial interest, to ensure the continued availability of loans to student or parent borrowers, or to ensure an orderly transition from the FFEL program to the FDSLSP.

Section 215(4) of the bill would expand the Secretary's authorized functions when a guaranty agency's agreement is terminated. The Secretary would be authorized to provide the guaranty agency with additional advance funds in accordance with section 422(c)(7) of the Act, with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to meet the immediate cash needs of the guaranty agency, ensure the uninterrupted payment of claims, or ensure that the guaranty agency will make loans as the lender-of-last-resort. This section of the bill would also authorize the Secretary to use all funds and assets of the guaranty agency to assist in the activities undertaken in accordance with termination of the guaranty agency agreement and to take appropriate action to require the return to the guaranty agency or the Secretary of any funds or assets provided by the guaranty agency, under contract or otherwise, to any person or organization. Finally, this section of the bill would authorize the Secretary to take whatever other action is necessary to ensure an orderly transition from the FFEL program to the FDSLSP.

Section 215(5) of the bill would remove subparagraph (G) of section 428(c)(10) of the Act, which currently prevents the Secretary from terminating the agreement of any guaranty agency that is backed by the full faith and credit of the State where that agency is the primary guarantor. At most, only two guaranty agencies are currently considered to be backed by the full faith and credit of a State. This provision in current law, would impede efforts to "wind down" the FFEL program.

Section 215(6) of the bill would make conforming amendments to the structure of section 428(c)(10) of the Act.

Section 215(7) of the bill would provide additional authorities needed by the Secretary to ensure an orderly termination of the FFEL program. If the Secretary has terminated or is seeking to terminate a guaranty agency's agreement, or has assumed a guaranty agency's functions, this section of the bill would provide that, notwithstanding any other provision of law: (1) the guaranty agency may not file for bankruptcy; (2) no State court may issue an order affecting the Secretary's actions with respect to that guaranty agency; and (3) no provision of State law shall apply to the actions of the Secretary in terminating the operations of the guaranty agency.

This section of the bill would also provide that, if the Secretary has terminated or is seeking to terminate a guaranty agency's agreement, or has assumed a guaranty agency's functions, and notwithstanding any other provision of law, any contract that concerns the administration of any guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the agency's reserve funds, and that is entered into or extended by the guaranty agency (or any other party on behalf of, or with the concurrence of, the guaranty agency) after the effective date of this provision of the bill is required to include a provision that the contract is terminable by the Secretary. This termination provision could be implemented by the Secretary upon 30 days notice to the contracting parties if the Secretary determined that the contract included an impermissible transfer of reserve funds or assets, or was otherwise inconsistent with the terms or purposes of section 428 of the Act. Finally, notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a guaranty agency, the functions of which the Secretary has assumed, could not exceed the fair market value of the reserves of the guaranty agency, minus any necessary liquidation or other administrative costs.

Section 215(8) of the bill would make a conforming amendment to a reporting requirement, consistent with the transition to the FDSLSP.

Section 216. Section 216 of the bill would revise section 428(f)(1) of the Act concerning payments based on insurance program agreements, to retain a specific administrative cost allowance to guaranty agencies only through fiscal year 1993. This change is consistent with the inclusion of transition support funds in proposed section 459 of the Act, which the Secretary would use to provide to guaranty agencies to encourage them to continue their operations and to effectively manage their portfolios.

Section 217. Loan consolidation. Section 217 of the bill would amend the provisions for the Federal consolidation loan program under section 428C of the Act, in order to facilitate the expansion of the FDSLSP. Section 217(1) of the bill would define "eligible borrower" for loan consolidation in the FFEL

program to mean a borrower who, at the time of application for a consolidation loan, is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will reenter repayment through loan consolidation.

Section 217(2) of the bill would amend the terms of the consolidation loan agreement to require a lender to offer income sensitive repayment terms for a consolidation loan made on or after July 1, 1994. In the event that a borrower is unable to obtain a consolidation loan with income sensitive repayment terms acceptable to the borrower from the holders of the borrower's outstanding loans (that are selected for consolidation), or from any other lender, including Sallie Mae, this section of the bill would authorize the Secretary to offer the borrower a direct consolidation loan with EXCEL Account terms under the FDSLSP. During the transition period, the Secretary expects to make these loans to the fullest extent possible, consistent with the Department's capacity to originate and service these loans.

This section of the bill would make a technical amendment to the deferment provision for consolidated loans under the FFEL program, in order to make this provision administratively feasible. As with the proposal for loans consolidated into the FDSLSP, interest would accrue and be capitalized, or be paid by the borrower, on loans on which interest is not federally subsidized; interest would accrue and be paid by the Secretary on loans on which interest is federally subsidized.

Section 217(3) of the bill would provide that a consolidation loan made before July 1, 1994, would bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the greater of the weighted average of the interest rates on the loans consolidated, rounded to the nearest whole percent, or 9 percent. A consolidation loan made on or after July 1, 1994, would bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest whole percent.

Section 217(3) of the bill would make additional changes to the Federal consolidation loan requirements consistent with offering repayment options to borrowers based on their income. This section of the bill would add to the repayment schedules in current law a provision that, if the sum of consolidation loan and the amount outstanding on other student loans is less than \$7,500, the consolidation loan would be required to be repaid in not more than 10 years. This provision is consistent with removal of the minimum loan amount under section 428C of the Act, and would allow for a standard FFEL repayment period. During the transition from the FFEL program to the FDSLSP, lenders under the FFEL program would be required to offer income sensitive repayment on a consolidated loan, while the Secretary would offer repayment terms pursuant to an EXCEL Account on a loan assigned to the Secretary.

Section 218. Sallie Mae. Section 218 of the bill would add a provision to section 439 of the Act, concerning Sallie Mae. This provision would require the Secretaries of Education and the Treasury, in consultation with Sallie Mae, to prepare a study that examines alternatives concerning the status, operations, and purposes of Sallie Mae during and after the transition from the FFEL program to the FDSLSP. These alternatives would include providing for an orderly transition of Sallie Mae from a government-spon-

sored enterprise to a private corporation when the FDSLPL program is fully implemented.

The study would be required to be completed within six months of the enactment of this section of the bill and to be considered by the Secretaries of Education and the Treasury in developing relevant legislative proposals. In addition, the study would consider how best to meet the needs of students and taxpayers, as well as appropriate changes to part D of title VII of the Act relating to the College Construction Loan Association. The study would also be required to reflect the need for Sallie Mae to maintain liquidity and perform other functions for the FFEL program during the transition from that program to the FDSLPL, including additional duties as specified by the two Secretaries.

Finally, this section of the bill would direct the Secretaries of Education and the Treasury to work with Sallie Mae to ensure that any changes in Sallie Mae's status, operations, or purposes are carried out efficiently and effectively.

Section 219. Optically imaged documents. Section 219(a) of the bill would amend section 484A of the Act to provide for the use of optically imaged documents in certain proceedings. This section of the bill would describe the purpose of this proposed provision, which would be to: (1) allow the Secretary to use optical imaging technology to store and retrieve documents and records, including promissory notes and repayment agreements, required for the administration of the FDSLPL, or for the administration of loans made under the FFEL program that have been assigned to the Secretary; (2) permit the Secretary to destroy originals of these documents and records, including promissory notes and repayment agreements, after they have been optically imaged, thereby achieving significant savings in storage and retrieval costs; and (3) ensure that the Secretary may introduce as evidence in any proceeding with respect to these programs or loans optically imaged documents and records, including promissory notes and repayment agreements.

This section of the bill would also provide that, notwithstanding any other provision of Federal or State law, an optically imaged copy of any document or record, including a promissory note or repayment agreement, may be introduced as evidence in any proceeding with respect to these programs or loans in any Federal or State court, or other tribunal, and this optically imaged copy would be admissible in any court or tribunal of the United States or any State as if it were the original document or record and have the same force and effect as the original. However, this provision would not preclude the admissibility of a duplicate of a document or record required for the administration of these programs or loans made by a technology other than optical imaging. Further, this provision would not preclude the admissibility of an optically imaged copy of any document or record in a proceeding outside the scope of section 484(c) of the Act.

Section 219(b) of the bill would amend section 432 of the Act to provide that records maintained in accordance with section 484A(c) of the Act may be used in any proceeding, as permitted by section 484A(c) of the Act, with respect to a loan that was made under the FFEL program and assigned to the Secretary. This would allow the Department to use optically imaged documents as evidentiary material in certain proceed-

ings with respect to these loans. This authority would be consistent with the authority proposed for allowing as evidentiary material in certain proceedings optically imaged documents with respect to FDSLPL loans.

Section 219(c) of the bill would amend section 487 of the Act, concerning program participation agreements, to provide that optically imaged documents may be used in any proceeding with respect to a FDSLPL or a FFEL program loan that has been assigned to the Secretary, as provided in section 484A of the Act, in accordance with applicable provisions of the Federal Rules of Evidence and 28 U.S.C. 1732.

#### Part B—Amendments to other laws

Section 221. Internal Revenue Code disclosures. Section 221 of the bill would amend provisions of the Internal Revenue Code of 1986 (IRC) that concern confidentiality and disclosure of tax returns and return information. The amendments made by this section of the bill would facilitate the use of an income contingent repayment plan under the FDSLPL, which, in turn, would allow students to pursue community service-oriented employment. These amendments would also clarify a disclosure provision under the Department's tax refund offset authority and improve collection of overpayments under the Federal Pell Grant program.

Section 221(a) of the bill would amend section 6103(a)(3) of the IRC, which sets forth the general rule that tax return information is confidential and states that individuals who receive tax return information from the Secretary of the Treasury under exceptions to this general rule may not further disclose the information. This section of the bill would add to that list any person who has access to returns or return information under proposed authority to receive information to carry out an income contingent repayment plan under the FDSLPL.

Section 221(b)(1) of the bill would amend the tax refund offset authority in section 6103(l)(10) of the IRC to clarify that agents of the Department may receive certain taxpayer information. This information, which does not include income information, is the same as that now disclosed to the Department under the current tax refund offset program.

Section 221(b)(2) of the bill would add to section 6103(l) of the IRC, which provides for disclosure of returns and return information for purposes other than tax administration, a new provision (section 6103(l)(13)) that would authorize the Secretary of the Treasury, upon written request from the Secretary of Education, to disclose to officers and employees of the Department tax return information with respect to a taxpayer who has received a Federal loan under a student loan program and whose loan repayment amounts are based in whole or in part on the taxpayer's income. This return information would be limited to taxpayer identity, information about the filing status of the taxpayer (for example, whether the taxpayer filed a joint return), and the taxpayer's adjusted gross income, as defined in section 62 of the IRC.

The Department would, where appropriate, disclose taxpayer information to its agents. However, section 221(b)(2) of the bill would also provide that any officers, employees, and agents of the Department receiving return information shall use the information only for the purposes of, and to the extent necessary for, establishing an appropriate income contingent repayment level for the FDSLPL and for FFEL program loans or Fed-

eral Perkins loans that have been assigned to the Secretary.

Section 221(c) of the bill would amend section 6103(m)(4) of the IRC, which authorizes disclosure of the mailing address of a taxpayer who has defaulted on a student loan administered by the Department. This section of the bill would add to the current list of programs for which mailing addresses could be disclosed to the collection program for overpayments under the current Federal Pell Grant program (since collection efforts have been seriously hampered without this information) and the new FDSLPL. This section of the bill would also make conforming amendments to this authority. However, these amendments would not alter the strict limits on the use of this information now in current law.

Section 221(d) of the bill would amend section 6103(p) of the IRC, concerning record-keeping requirements and safeguards. This section of the bill would provide that the Secretary of the Treasury would not be required to maintain a record or accounting of requests for inspection or disclosure of returns and return information, or of returns and return information inspected or disclosed, under the income contingent repayment disclosure authority proposed for section 6103(l)(13) of the IRC. This is consistent with other disclosure authorities under section 6103 of the IRC. Further, section 221(d) would require the Department to undertake the same safeguards for the income contingent repayment disclosure authority and for receipt of mailing addresses as are required by other Federal agencies that receive similar information under section 6103 of the IRC.

Section 221(e) of the bill would add a new section to the collection authorities in subchapter A of chapter 64 of the IRC. This new section (section 6306) would permit the Secretary of the Treasury to enter into an agreement with the Secretary of Education to provide for the collection of payments on FDSLPL loans. The Secretary of the Treasury would be authorized, notwithstanding any other provision of law, to assess and collect payments on FDSLPL loans as though they were additional income taxes due. The Secretary of the Treasury would also be authorized to establish such procedures and conventions as necessary under this agreement, including those related to withholding, payment of estimated tax, allocation of payments, and dispute resolution.

Finally, section 221(f) of the bill would amend section 7213(a)(2) of the IRC, concerning criminal sanctions. This section of the bill would provide that unauthorized disclosure of tax return information by agents of the Department of Education would be a felony punishable by a fine of not more than \$5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution. This provision is consistent with sanctions for disclosures of other tax return information under the IRC.

Section 222. Section 222 of the bill would add to section 256(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, which concerns the effects of a sequestration order on the current guaranteed student loan program, a new provision concerning the effects of a sequestration order on the FDSLPL. Under this provision, any reductions that are required to be achieved from the FDSLPL as a consequence of an order under section 254 of that Act would be required to be achieved only as follows: for any FDSLPL loan made during the period beginning on the date that the order took effect with respect to a fiscal

year and ending at the close of that fiscal year, the loan fee authorized to be collected under proposed section 456(c) of the Highway Education Act would be required to be increased by 0.50 percent. In addition, this section of the bill would make a conforming amendment to section 252(c)(1)(B) and to the heading for section 256(b) of that Act.

#### TITLE III—EFFECTIVE DATES

Section 301. Section 301 of the bill would set out the effective dates for the amendments made by the bill.

The PRESIDING OFFICER (Ms. MOSELEY-BRAUN). The Senator from Pennsylvania is recognized.

Mr. WOFFORD. Madam President, I salute the Senator from Massachusetts, on whose committee I now have the privilege not to testify before, but to serve on, under his good leadership and his leadership in this field.

Today we are introducing in the House and the Senate the President's national service initiative. In proposing new ways and means of enabling young people to engage in a year or more of full-time service, President Clinton has revived John Kennedy's enduring challenge as the proper measure of our success: Not what our country can do for us, but what we can do for our country.

Some 32 years ago, I had the privilege to take part in the creation of that new social invention, the Peace Corps.

I am pleased today to rise in strongest possible support for the National Service Trust Act of 1993, a bill that is designed to bring the spirit of the Peace Corps home to America to take on the challenges facing American families and American communities.

Let me first say that 30-some years ago, we began dreaming of bringing the Peace Corps idea home to America, and we dreamed of a Peace Corps in America that would be the size of the Civilian Conservation Corps, 500,000 people, and as it proved itself, would grow to be a million strong, a national Peace Corps in America.

Today, we are not looking at one big federally run program such as that. We are looking at a decentralized system that is coming up from the communities and from social invention by the people, not by the Government itself, and I think this new approach is better.

Some say that President Clinton's proposal is too small. Some say it is too big. Some say it is beginning too slowly. Some have said it is beginning too fast. My own sense is that it is just right.

The new national service system is going to build on existing models which have gone from the grassroots: From urban and rural youth corps and from other programs, as well as service opportunities generated by high schools and colleges, businesses, churches, civic associations, and individual young people themselves.

Now, those pilot programs which have worked well and proved them-

selves in many places in this country and many parts of Pennsylvania, we believe that we have nurtured them in Pennsylvania to the point that they are ready to spread in a quantum jump. It is time for those pilots to do what a pilot should do: Ignite the whole furnace of citizen power.

This national service initiative is a bold public/private partnership that will grow according to the market and according to the extent that taxpayer citizens see that it works. It is indeed, in a sense, the first test case for our reinvention of government not by government, but by the people themselves.

Building on the 1990 National and Community Service Act, which received such strong bipartisan support in this body and in the House of Representatives, and was signed into law by President Bush, the plan we propose today merges two Federal agencies and creates a Corporation for National Service. The initiative also supports President Bush's Points of Light Foundation. The National Service Trust Act of 1993 will create a largely decentralized yet integrated system that represents a fundamental change from decades of well-meaning but often inefficient, top-heavy and tapped-down, social programs.

The key to this new approach is to see young people—and help them see themselves—not as problems, but as resources; not as the danger to be defended against, but as talent to be tapped.

One thing we have learned from past successes like the CCC and from disappointments with traditional social programs is that personal responsibility and self-esteem cannot simply be taught; they have to be earned. It is a scandal that we know this, while another generation of inner-city young people drops out of school or graduates into the streets, joblessness, drugs, welfare, or prison.

A society with infants who need immunizing, children who need tutoring, older people who need care, roads that need repair, and neighborhoods which need more policing and community support cannot afford to allow able men and women to sit idle. Nor can we afford not to challenge the college-bound youth to move beyond self-centered lives of civic indifference, or to engage our Nation's seniors, our fastest increasing national resource, in attempting together to tackle the pressing problems confronting our Nation.

I believe this plan will work, and I salute all the people who have worked so hard over the years, as well as those who have worked so hard since the inauguration to give us the legislative means of turning a good idea into reality.

I especially salute Eli Segal, the President's National Service Adviser, and the extraordinarily hard-working team in the White House who worked with us to put this program together.

The ultimate success of national service will depend on whether it truly represents a new way for Government to operate by doing away with outmoded bureaucracies and giving real incentives for young people to serve, to earn, to learn, and to take responsibility for their own lives.

Long ago, a Peace Corps volunteer on the White House lawn in 1961 was asked:

Why did you, the me-first, silent generation, respond in the hundreds of thousands to President Kennedy's call?

And he said:

No one had ever asked me to do anything unselfish, patriotic, or for the common good before. Kennedy asked.

We are now finding the ways and means to ask again, and young people in this country and citizens are waiting to be asked, and are beginning to ask themselves.

A young Youth Service Corps member in Philadelphia, in the Philadelphia Youth Service Corps, had come out of a youth gang, off the street, and had been heading into drugs. I asked him:

Why did you choose this other course, to get up at dawn, do calisthenics, build habitats and construct homes for low-income families—hard work?

He said:

Well, first, I thought it might be a better gang, and I wouldn't die in the end.

And then I pressed him, and he said:

Well, you know, all my life people have been coming into our housing project and trying to help me. I got tired of people coming to do good for me. I, for the first time, got asked to do some of the helping.

I think that is what all of us need, and what young people need.

Let me close by quoting Governor Robert Casey, as he launched Pennsylvania's Summer of Service 4 years ago, almost to this day. He said:

We have the obligation—and together we have the means—to make community service the common expectation and common experience of all our citizens. And when we've done that, our's will be a land of caring people, investing in each other, with a sense of active citizenship that's worthy of our future.

As with the Peace Corps some 32 years ago and the Civilian Conservation Corps some 60 years ago last month, with the National Service Trust Act of 1993, we have the opportunity on both sides of the aisle to truly reinvent government by reinvigorating citizenship. We want to help people join together to take responsibility for themselves and their communities.

So we in this Congress and in this city have a chance now to set an example by joining together—Republicans and Democrats, Senate and House, Congress and the President—to move from argument to action.

This bill has bipartisan support because it represents a common ground—a ground that has nothing to do with

liberal or conservative Democrat or Republican—a common ground where so many of us can meet: The idea that citizenship means having more than civil rights; it means having civic responsibilities; that people can and should not wait for Government to solve all our problems and fulfill our needs. We can act together, and I hope we in this Congress act now.

I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Madam President, President Clinton's obvious enthusiasm on behalf of a call to community service is commendable. Certainly, no one would argue about the value and importance of that service, and certainly the Senator from Pennsylvania, Senator WOFFORD, has spoken eloquently to that. He has given time and effort to service. Nothing inspires one more than a community whose citizens, both young and old, engage in service.

But I would just like to explore for a moment some questions I have about the particular proposal before us.

The President proposes spending \$7.4 billion over 5 years for a series of programs to be administered by a new corporation which will replace the existing ACTION Agency and the Commission on National Service. I think the President is wise to build his proposal on the foundation of existing entities. Such an approach avoids the usual temptation to reinvent the wheel when undertaking a new endeavor.

At the same time, the proposal raises several important questions. These questions fall into three general areas: First, the size of the program, second, the means by which it provides educational benefits, and third, its ability to achieve its intended effect of cultivating a life-long commitment to service.

In terms of size, \$7.4 billion is a lot of money. Current spending on Federal service programs amounts to an estimated \$1.5 billion. The Peace Corps, for example, operates on an annual budget of about \$220 million. It does not take big money to make a big impact. In fact, I would argue that one of the keys to success of many of our existing service efforts is that the programs are kept small in scale.

I was one who had some questions about the Commission on National Service when that program was adopted several years ago. It has proven to be a big success, I think, because it has been kept small in size, and it has operated in such a way that it is felt close at home, so to speak.

An even more basic question is whether the President is trying to do too much too quickly. The combined budget of the two agencies which the new corporation will replace is \$275

million. The Clinton program anticipates spending \$400 million next year—with that amount increasing to \$3.4 billion a year by 1997. In the past, we have found that massive funding increases in a short period of time inevitably lead to wasteful and inefficient uses of those funds.

There is a very real concern about whether orderly growth can be achieved in such a short period of time. A failure to provide meaningful service jobs will lead to a sense of cynicism directly at odds with the objectives of the initiative.

It might not happen. I think all of us will certainly want to work to see that it can be implemented successfully. But I think there are some big question marks out there, again, about the scope of the effort and whether we are trying to undertake too much.

About half of the cost of the program will be for educational benefits. It will be possible to obtain an educational benefit of \$5,000 for 1 year of full-time service up to a maximum of \$10,000 for 2 years of service. Another real question is whether this is the best way to provide educational benefits and if it is where our priority should be in terms of such benefits.

For example, this proposal comes at a time when the Pell Grant Program is funded at far lower levels than any of us would like to see, and the budget does not hold much promise for improvement of this situation. Pell grants not only assist far greater numbers of students than the 100,000 estimated to be included in national service by 1997 but also focuses on low-income students.

I am concerned about the ability of the program to achieve its goals. Unless great care is exercised, a Federal program of this size could smother community service efforts in layers of bureaucracy and paperwork. Monitoring the education benefit alone raises regulatory issues that have not been thoroughly explored. We also need to examine very carefully whether or not a paid, short-term experience will lead to a long-term commitment to service.

Finally, in speaking about the national service initiative, the President invariably discusses the concepts of direct Federal lending and income-contingent loan repayment. I understand that these loan proposals will be introduced separately from the national service plan. I hope that introducing separate legislative proposals will dispel the confusion regarding the linkage of these issues. Each proposal is a separate concept which should be judged independently on its own merits.

I strongly oppose direct Federal lending of student loans. I believe, Madam President, it will lead to severe disruption of our ability to provide loans to students for postsecondary education, and it does not reduce the cost of the loan to the student.

Estimates of the savings to be achieved from direct lending vary so substantially that it is clear no one really knows whether any savings will be achieved. In the meantime, we will be adding at least \$20 billion annually directly to the Federal debt—which would not be offset for many years in the future when repayment on the loans begin. Moreover, there are very serious questions about the ability of the Department of Education or institutions of higher education to administer a direct lending program.

Congress enacted legislation last year providing for a direct lending pilot program, which would permit us to get answers to some of these questions. We should allow the demonstration to work before dismantling our current loan system. Certainly, there are ways to make our existing programs more cost efficient—I certainly would agree with that—and that is where our efforts could be more productive right now.

Madam President, in summarizing, I wish we could allow the direct loan demonstration program to run its course. With respect to the national service initiative, we should also proceed in a deliberate and thoughtful fashion. We must start with it in ways that are more manageable so that we can understand more fully where its strengths and weaknesses lie.

I yield the floor, Madam President.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Madam President, ordinarily, I agree with the Senator from Kansas on anything she has to say. We have worked together, both on the Labor and Human Resources Committee and on the Foreign Relations Committee, but I partially disagree with her today.

I am pleased the President has presented what he has presented.

I wish to commend the chairman of the committee, Senator KENNEDY, for his leadership, not only in sponsoring the bill but in this specific area.

I would also like to commend my colleague, Senator DAVID DURENBERGER, who has devoted a great deal of time on this.

And, let me add, I think we also have to praise, on the House side, Congressman BILL FORD, who chairs the identical committee over on the House side, or virtually the identical committee; and Congressman TOM PETRI of Wisconsin, our Republican colleague over in the House, who really originated this idea.

On the service side, I do not think I need to expand. We have had the Peace Corps, we have had VISTA, we have some things that the Presiding Officer can appreciate that I helped to initiate that helps a great many young people who are near the top of the class to become teachers, called the Paul Douglas

Scholarship, named for a distinguished Senator from Illinois who was also a teacher.

What the direct lending does is it simplifies the program for students, for schools, for parents. And the simplification itself is important. It helps students, also, beyond that, by giving payment options. Right now, if you get a guaranteed student loan or Stafford loan, you pay back a flat amount. If you want to continue that you can under our program. But under this program, it will be income contingent if you want it that way. And if you go into the Peace Corps, or if you become a teacher or social worker, or if you become a nun, you may pay back nothing or a small amount. But if you become a famous Chicago lawyer, or a Wall Street investor, you may be able to pay back quite a bit.

It takes away what is happening right now in distorting what students do. Right now, if you are a student and, let us say, you owe \$20,000, and you have to decide—do I become a teacher or do I go into business—we distort the end product.

Finally, it is going to help taxpayers because taxpayers are going to save, according to Government studies, more than \$1 billion a year on middle persons—middlemen—but maybe middle woman expenses, too—middle person expenses here. But we will save money that is needlessly spent right now.

The name of this bill is the Higher Education Assistance Act. It is not the Bankers' Assistance Act, not the Sallie Mae Assistance Act. It is the Higher Education Assistance Act. And that is where we ought to be providing the assistance. We start with a pilot program, but the evidence is overwhelming—including evidence from a country like Australia that has this program—that it will pay off. We will have IRS collection so you know you are going to pay. We do away with this massive student loan default. This year we will spend about \$2.9 billion on student loan defaults. Nobody wins on that.

But the opposition is coming from our friends in the banking industry, from some of the guarantee agencies. Some of the guarantee agencies, frankly, are going to benefit by this once this gets into place, and some of them are doing a great job—some of them do not do a great job—and our friends in the banking industry.

I am not opposed to banks. I am probably going to sponsor some legislation very shortly for banks in the country. I want to encourage them when they are doing the right thing. But we do not need a welfare-for-banks proposal, and that is part what we have. The U.S. General Accounting Office calls the present process, "complicated and cumbersome and not conducive to good financial management."

The banks have served us well by delivering billions of dollars to students.

But we can do better and we can save the taxpayers money in the process. This is not like the usual situation. Banks do not decide who gets the loan. Banks do not take any risks. It is all guaranteed by the Federal Government. Most banks never see the students, it is handled at the college. Banks do not collect from the students, with rare exceptions.

The Congressional Budget Office, the Office of Management and Budget, and GAO, all say we can save a huge amount of money. I think the President is to be commended for what he is doing.

I would add, people should not be fooled on this because they have a few student loan officers—for example I think the student loan officer of the University of San Diego has written a letter, "I am opposed. It is going to be a terrible thing." It is very interesting that the University of California is supporting this. But almost every higher education association is supporting it.

Listen to what the 2,100-member National Association of College and University Business Officers testified. The business officers would not be supporting this unless it made sense. This is what they have to say:

Direct lending would bring, in most cases, all components of a student's financial aid package to the campus, expedite the flow of funds to eligible students and simplify and improve the receipt and disbursement of funds functions. We firmly believe that institutional administrative efficiencies and improved controls can be achieved under a direct loan program when compared with the overall current guaranteed student loan process which, in turn would also better serve the student body.

Students benefit, colleges and universities benefit, taxpayers benefit. That is a pretty good package, it seems to me. I commend the President for his leadership. Again, I commend my colleagues, Senator WOFFORD, Senator KENNEDY, Senator DURENBERGER and my colleagues over on the House side, Congressman FORD and Congressman PETRI, for their leadership.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Madam President, I am pleased to join Senator KENNEDY and several other distinguished colleagues in introducing legislation that implements the national service and student loan proposals that President Clinton unveiled last Friday in New Orleans.

As the first Republican Senator to cosponsor both these proposals, I feel a special responsibility to do whatever I can to improve this legislation as it moves through the Senate, and to help build support on both sides of the aisle.

I should note that my decision to cosponsor these two bills reflects my own strong interest in both tapping the creative energies of our younger citizens

and in creating a new and better way of paying for college.

In 1990, I was the lead Republican cosponsor on the National and Community Service Act. That legislation authorizes the Commission on National and Community Service which is reauthorized and incorporated into a new National Service Corporation in the legislation Senator KENNEDY and I and others are introducing today.

The following year, in 1991, Senator PAUL SIMON and I introduced the Income Dependent Education Assistance Act [IDEA], which authorizes an income-contingent direct loan system very similar to the one now being proposed by President Clinton.

And, earlier this year, Senator HARRIS WOFFORD and I introduced the Wofford-Durenberger Service Learning Act of 1993. This legislation uses existing Federal education programs—and a new teacher training program—to strengthen the Federal Government's commitment to integrating community service opportunities into elementary and secondary school curriculum. Our proposal also strengthens the clearinghouse provisions of the National and Community Service Act—provisions that I originally authored in 1990.

In addition to my longstanding personal interest in both these issues, my cosponsorship of these two bills is based on several premises that have evolved during my conversations with both Senator KENNEDY and the Clinton administration over the past several weeks.

The first of those premises is that the President wants and needs bipartisan input and bipartisan support for this very important set of proposals. Any proposal of this importance must enjoy bipartisan support. That means it also must be open to positive and constructive suggestions for change along the way.

A second premise behind my cosponsorship is that the President must become personally involved in gaining congressional approval for both these proposals, but especially his plan to fundamentally change current student loan programs, which my colleague from Illinois has more than adequately described already this afternoon.

There are, as he has pointed out many times on this floor, powerful special interests who are dependent on the status quo, and who will fight hard to retain a significant position in issuing, servicing, and collecting student loans.

If he is to succeed, the President must go over the heads of those special interests and appeal for support from present and future students and parents, who all have an enormous stake in the efficiencies, better service, and increased flexibility that this proposal would make possible.

A third premise behind my cosponsorship, Mr. President, is that Presi-

dent Clinton can avoid pitfalls and gain additional support for his national service proposal by making a stronger link between youth service and local communities, and between youth service and education reform.

In fact, at one point about a week ago, when we were negotiating the sponsorship of the bill, I suggested that perhaps the word "national" be taken out of this program and the word "community" substituted for it. It has been my experience that, in the 30-plus years since President Kennedy gave us the opportunity to look at various national service programs such as the Job Corps and the Peace Corps and so forth, that our view of ourselves as part of community has changed and that our sense of community is slipping away from us in this country.

The idea of service to others today is probably more valuably incorporated into our sense of community than it is our sense of Nation.

I must also say, in listening to my dear friend and colleague from Kansas, Senator KASSEBAUM, that if the President continues to sell national service as a way of paying for college, he will inevitably get trapped in expectations that he cannot deliver on. At the cost contemplated per stipended service position, we are never going to be able to meet the growing concerns Americans have about financial access to higher education. That does not mean a smaller, more targeted stipended service program cannot be of huge value to the participants and to the communities it serves.

I believe this legislation must be made flexible enough to meet those objectives by allowing a significant portion of the funds to be used for out-of-school, out-of-work youth; by placing stipended service learning coordinators in high schools and colleges and by using stipended service participants to address priority national and community service needs, such as school readiness or access to preventive health services.

I believe it is also important to recognize the significant impact that nonstipended service learning programs can have in achieving one of the main goals of stipended service; that is, unleashing the creative energies and talents of young people in addressing community needs, all at a much lower cost.

Madam President, a fourth premise that I bring to this cosponsorship includes assurances from the Clinton administration and from Senator KENNEDY that the size and the growth and the stipended portion of the President's national service proposal will be sensitive to today's fiscal realities.

We have people on this side of the aisle who would like very much to be cosponsors of this bill if it were not for the fiscal problem potentials that are presented by its proposal.

I appreciate very much the fact that Congress is being asked to set authorized funding levels for just the first year of this program, with future funding decisions made against each year's competing priorities for appropriations.

Finally, Madam President, a fifth premise that I bring to this cosponsorship reflects assurances that any increase in the number of stipended service participants in future years will not come at the expense of the administration's commitment to the Pell Grant Program. The Pell program is already suffering from accumulated past deficits of over \$2 billion. As a result, the average Pell grant awarded last year dropped from \$1,520 to \$1,452 this year, and it is going to decline to \$1,342 next year, and that is even with a \$200 million increase in appropriations proposed by President Clinton for fiscal 1994.

I know I will not be the only Member of Congress insisting that our commitment to low-income college students be maintained through the Pell program, and I am pleased that regardless of what we do with national service or what we do with direct loans, the Clinton administration shares that commitment as well.

Each of these five premises deserves to be weighed and tested during the legislative process that lies ahead. Personally, I believe these two proposals can withstand that process; they can emerge as an even better statement of what tapping the creative spirit and energies of young people can mean to the future of this Nation.

I thank you, Madam President, and I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Madam President, I am pleased to rise this afternoon as an original cosponsor of the National Service Trust Act of 1993 which will renew our Nation's commitment to national and community service.

Service to others is ingrained in our Nation's history. It is as old as the Republic. Since the revolution, Americans have been asked to serve their country and others in the Armed Forces and in programs like President Roosevelt's Civilian Conservation Corps, the Peace Corps, VISTA, and the Older Americans Volunteer Program. These public sector efforts have been more than matched by the work of millions of individuals and thousands of organizations who each day seek to help others and improve their communities through private voluntarism. From improved housing in our Nation's inner cities to irrigation projects in Central America and the humanitarian work of our troops in Somalia, America's legacy of service is better lives for millions of people both here and abroad.

National community service has not, however, enjoyed universal support. In

the early 1980's, Americans were asked a question that framed the view of many toward their Government and toward community and national service. I am sure you and others will remember it: "Are you better off today than you were 4 years ago?"

How many times did we hear that question asked of the American public? In fact, it was an essential question for the "me" generation of the 1980's. It measured Government achievement, indeed society's achievements, in terms of each individual. The size of the house you owned, the bank account you had, or the salary you earned became the yardstick for the well-being of society as a whole.

The concept of service, Madam President, begs an entirely different question than the one asked of so many Americans in the 1980's. President Kennedy put it about as well as anyone has in this century in a sentence that has now become so ingrained in the consciousness of this country that virtually every American child and adult can recite it. The simple question: "Ask not what your country can do for you, but ask what you can do for your country." A simple phrase uttered more than 20 years ago on the steps of the very building in which I address this issue this afternoon.

President Clinton is renewing that very simple plea that President Kennedy made of this Nation more than a quarter of a century ago. And that simple plea is for us to redefine our relationships with Government and our society in terms of others—our families, our communities, our neighborhoods, towns and States. He is asking us to work together to improve the quality of life of everyone, including our own lives.

And clearly, the time is right to rededicate ourselves, Madam President, to serving others. The needs in our society are as great today as at any time in modern history, and many are, unfortunately, all too familiar. Poverty, homelessness, unemployment, illiteracy, drugs, and hopelessness remain the realities of everyday life for far too many Americans. Our natural resources and infrastructure are in need of renewal. As a society, we must renew our commitment to meet these critical needs and to revitalize our efforts with a new corps of talented volunteers.

With this legislation, Madam President, President Clinton proposes to build on our Nation's record of successful community and national service and to motivate a new generation of willing volunteers by linking additional student financial assistance to community service. For each year of service, volunteers will receive a \$5,000 stipend to be applied to the cost of higher education.

In addition, President Clinton proposes, in companion legislation, that

all students be provided with the option of income-contingent repayment on any student loan, an option that will allow many of today's graduates to consider lower-paying, community-oriented jobs, or career paths that will provide the kind of personal satisfaction that so many seek without necessarily providing the kind of financial success of other more lucrative careers.

Some may argue that the cost of a national service program will be too high. I am sure we will hear that if we have not already. Any fair analysis, however, must weigh the benefits of a program as well as the costs. A renewed energy and commitment toward creating a more educated and well-trained citizenry, reducing poverty, cleaning up the environment and improving the infrastructure of this country are not insignificant gains for this country. One must consider the benefit to people who might never, never have been able to get a college education, or an education in some training or technical school. The fact that some student, some family may be able to acquire additional educational skills through this program, how do you put a price tag on that? What is the value of that when you compare it to the cost of this program?

One must also consider, of course, the cost of inaction and of unmet needs. What is the price of doing nothing, of just sitting around and watching further decay as the problems continue to mount? Above all, there are the benefits of service to those who serve, and this is often forgotten in this debate.

In many ways it is ultimately a self-ish enterprise. Anyone who has ever done anything for anyone else knows of that wonderfully warm feeling of having given, of having spent some time without remuneration, without a pat on the back but with that wonderful inner sense, that wonderful inner glow of knowing that I have done something for someone else, that sense that I am truly fulfilling the role of a human being to reach out to others.

Madam President, I can speak, I suppose, about this intangible benefit in more direct terms because it was back in 1966 when I graduated from college that I heard a President from Massachusetts call on Americans to serve. I joined the Peace Corps and I spent 2½ years in the mountains of the Dominican Republic on the Haitian border. Other than growing up in my family, no other event in my life has had as much meaning as those 2½ years of serving my country in the Peace Corps.

I did not eradicate ignorance, poverty and disease. I did not solve every problem of the villages I served in, but that 22-year-old American, who had grown up in comfort in a suburban community, learned far more about this country than in any other experience. I learned to appreciate the values

and the institutions of this Nation because I served in a land where all of those wonderful things that are available to us are not available to everyone else. I grew. I gave something I think, but, Madam President, I gained for myself far more than what I gave to others.

And so public service in addition to doing something for our neighbor, our country and the countries of the world in which we live, does much for those who volunteer, for those who step forward also gain and their communities and their families benefit as well. I know a little bit about this because of the service I gave, and I would only hope that a generation of Americans might also once again appreciate that wonderful sense of contribution.

Unfortunately, this program will not make it possible for everyone to serve and for everyone to receive these benefits but for 100,000 Americans to try and help America become a better place, this is a worthwhile program.

Is it perfect? Has it been drawn with every dotted "i" and crossed "t"? I guess not, Madam President, but we offer this legislation today and we invite the public debate to see if we cannot develop a sense of voluntarism in this country and simultaneously make it possible for people to acquire the higher education they must have if this generation is going to reach the educational levels it must if this Nation is to maintain its economic strength in the 21st century.

So I commend the President. I commend the President for stepping forward. Some are saying he is trying to do too much. Some will say he is trying to do too much too early. I do not think we can wait. There are literally hundreds of thousands of people in this country who need the higher educational benefits, hundreds of thousands of people who want to give and make this Nation a stronger and a better place.

This legislation offers us that opportunity. My hope is that our colleagues such as Senator DURENBERGER and others will step forward, as he has, to say let us be a part of this, let us be architects, let us improve it and offer suggestions, but let us not sit around and debate any longer whether or not it makes any sense to invite voluntarism and to reduce the cost of higher education.

I hope we can come to the conclusion of that threshold question and now we will start to talk about how you achieve it, how do you get it done. This bill offered by our President provides us that opportunity. I am proud to be a cosponsor of it.

Ms. MIKULSKI. Madam President, today is a truly historic day. For it is today that Senator KENNEDY and I, along with a bipartisan coalition in the Senate, introduce the President's national service legislation, the National Service Trust Act of 1993.

Marylanders and millions of Americans are facing critical questions that affect their daily lives. They are asking—how will we pay for our child's education? How will our neighbors and our community regain the habits of the heart that made America great?

As one of the godmothers of the national service movement, I believe that this national service plan will help bring of peace of mind to middle-class Americans so they can face these critical questions about their child's future and about their community. Middle-class families where moms and dads work hard, but might not have enough money to pay the rent, provide food and clothing for their kids, and still send their teenage son or daughter to college.

This initiative is about saying yes to the kids who say no to drugs, no to pregnancy, and no to violence. It is about instilling what de Tocqueville called the habits of the heart in a generation too often tempted by the narcissistic urges of today's pop culture.

The President's plan is a social invention to create an ethic of service in our country.

Here are the key elements in the plan that I believe will create the ethic of service:

National service jobs will focus on broad national accomplishments such as public health and the environment;

National service will not only help young people pay for college, but it will also be an option for young college graduates, and for young people who do not go on to a university, but who choose to learn a trade—the workers who are the backbone of our country. This initial experience of service can help these young people to mature and believe in themselves. In Baltimore, my hometown, the young men and women in Civic Works, our youth corps group, say that what has changed them most is learning that they could give service as well as benefit from it. In discovering this, they themselves were transformed.

The benefits for services will be the same for pre- and post-college participants. We are not creating a caste system that will diminish the value of the pre-college group;

Now not everyone who graduates from college can or should go away for 1 year or more of service. But for those who can let us get them into service experiences where they can apply their skills in a practical way that will help develop those skills. If that means part-time service, so be it; and

We have set rigorous standards for participation. There are tough certification requirements for those programs that want to sponsor participants. The criteria include: quality, innovation, replicability, and sustainability without Federal funds.

How does it work?

Individuals 17 years or older volunteer their time—either full time or

part time—to serve their communities addressing educational, environmental, human, or public safety needs.

It also means local citizens banding together in small community-based groups to solve local problems. Working on weekends, they would serve as volunteers on issues that address unmet community needs.

People in this program can help their community by delivering meals on wheels, tutoring the illiterate, or helping in recycling programs.

They could help reopen a State park in Maryland, help teach adults to read in Baltimore, and get nutrition to pregnant mothers in western Maryland. The work would be hands-on.

To hide business graduates in accounting departments or confine architects to drafting table serves no purpose. We must take them beyond their narrow worlds into the streets and neighborhoods of America, to meet people, to nourish them, care for them, teach them, and learn from them.

This initiative is not like other programs. It does not involve taking people away from their home.

People would still live in their communities, hold their regular jobs, and also volunteer. Their volunteer work would be an investment, not only in their own future but in their communities as well.

In return for their service work, volunteers get a credit of \$5,000 for each year served, to be used toward outstanding education loans or to pay for higher education or training. These volunteers will get a chance to invest in themselves just as they did in their communities.

National service used to only be for the idealistic rich kids who could afford to take 2 years off and go good.

But, all that changed in 1990 when we created the Commission on National and Community Service that not only tested full-time service programs but also tested part-time service programs.

To me the opportunity to do part-time service is important. I do not know too many working people who can afford to take 1 year off to do volunteer service. This bill gives people the opportunity to volunteer part time.

In Maryland we have part-time service programs. These are part-time working class people making a real difference like—Maria Feit, a 23-year-old from Baltimore, is working to create a volunteer-run fetal alcohol syndrome prevention education program for middle-school students; Charlie Johnson, a 39-year-old former steel worker from Cumberland, is recruiting and training volunteers to assist with the health programs and the disaster response team of Allegany County's Red Cross and, Dick Towne, a 63-year-old from Bethesda, is enlisting volunteers to provide care to Maryland's most troubled and neglected youth.

These are model people in model programs that only exist because of the

National Commission on Community Service. The Commission was established in 1990, by me and my colleagues, to test the very concept that we are introducing today.

The Commission used a very qualified and dedicated 21-member board to help support model national service programs. They have reviewed hundreds of proposals and funded the very best. Based on this Commission's work, we are now able to launch into a national program.

Madam President, national service is a solid framework for reaching two goals: One is practical: handling the crisis of student indebtedness. One is idealistic: developing the work ethic that is the foundation of this country.

It was about 30 years ago that President Kennedy challenged Americans to "do for their country" rather than waiting for our country to do for us. I am proud that President Clinton is carrying out that challenge and helping to restore America's peace of mind.

Mr. SPECTER. Madam President, I am pleased to join my colleagues in co-sponsoring the National Service Trust Act of 1993 which is being introduced today. I support the program's objective of instilling in young and old alike, the commitment to community and national service.

Since becoming a Member of the Senate, I have supported many of the programs incorporated in this legislation. Programs within the ACTION agency such as VISTA, and the older worker volunteer programs have demonstrated that the concept of community service works, and works well. Since the VISTA's inception 30 years ago, approximately 100,000 VISTA volunteers have served on more than 12,000 projects aiding in the solution of poverty-related problems. Funds provided to the ACTION agency in fiscal year 1993 will support over 500,000 volunteer service jobs.

I have also been an ardent supporter of programs which encourage and assist young people to pursue higher education. The future health of our economy is reliant on a highly trained, highly educated work force.

The educational award component of the national service program will enable all Americans, regardless of their age, economic condition, or race, the chance to further their educational opportunities by enrolling in a college or certified technical training school as a direct benefit of their national service tenure.

As both urban and rural communities across this Nation struggle to provide jobs, this program promises to go a long way to afford employment opportunities to program participants. At the same time national service participants will have the option to further their skills through higher education. However, care must be taken to ensure that jobs created under the national

service program are not make-work jobs, but jobs that make meaningful contributions to the communities.

While I support the concept of the national service legislation, I do have some reservations about the cost of this initiative. The budget request for fiscal year 1994 is \$394 million, and the Office of Management and Budget estimates the program costs over the next 4 years at more than \$7.4 billion.

In a time when the President's budget is reported to exceed the fiscal year 1994 domestic discretionary spending caps by estimates ranging from \$5.6 billion to over \$11 billion, I would hope that funds could be found to offset the costs of the national service initiative. I look forward to working with my colleagues to eliminate this initiative's cost to our budget deficit.

I recognize that this is an authorization bill, but as a member of the Appropriations Committee, I would also hope that when this new program is assigned to a subcommittee, that a sufficient allocation be given to that subcommittee to take on the additional funding of this new initiative.

Madam President, I urge my colleagues to support this legislation.

Mr. JEFFORDS. Madam President, I rise in support of the National Service Trust Act being introduced today. As one who has supported, fought for, and encouraged national and community service programs throughout my years in Congress, I am delighted to be an original cosponsor of this bill.

It is refreshing that national service has "hit the charts" and been included in the President's agenda for his first months in office. 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.

Without past efforts from the Civilian Conservation Corps to VISTA and the Peace Corps to the thousands of local service programs scattered across this Nation, our country would not be what it is today. Too often the efforts of these programs go unnoticed because the work is not glitzy or glamorous, it is not even always fun but it is essential—essential because the dedication and sacrifice of a few add up and influence the whole.

I will not take time to outline the provisions included in the bill—my colleagues have already done an excellent job of that. But, I do want to address one of the recurring criticisms I have heard about the bill.

The criticism to which I refer is the fact that the bill will cost \$400 million in the 1st year and increase to \$3.4 billion after 4 years. To many, that is antithetical to the notion of community service. Why, many ask, must we spend money to encourage voluntarism?

A good question. Somehow, it seems, community service should be free of costs. But as my colleagues know, there is no way to fashion an effective program without some costs. There are costs associated with starting up programs in schools and communities, administration costs for running programs and transportation costs for getting to programs. Although these expenses do not make up the major costs of the bill they are nonetheless a considerable and undeniable part.

But, the bulk of the price for this bill goes to providing participants with a living stipend and education award benefit in return for service. Many argue that these are unwarranted and unnecessary. But, it is naive of us to think that we can attract energetic and bright individuals into community and social service when they have living expenses and education costs to think about. This cannot be a program limited solely to those who can afford to participate. This program must be one that expands into every community and offers a chance for every one—from 17 year olds through to 95 year olds—the opportunity to serve their community and their Nation.

These benefits are not a financial inducement into service, rather they acknowledge that community service is a sacrifice—a sacrifice which has numerous benefits not to the individual alone but to our society as a whole. We are at a unique juncture in our history, the cold war has ended and we can now concentrate our efforts elsewhere. There are an abundance of areas where we can focus our energy. Our needs are enormous in the area of home health care, education, and before- and after-school mentoring. It is in these areas, and so many more, where we can place national service participants and where we can see the results of a few committed individuals multiply to reach the needs of many.

But, one important word of caution that I do believe is critical. Many people may continue to think of community service as a way to pay for college. I think this is unrealistic at best and damaging at worst.

When fully implemented, this program will involve 150,000 individuals in community service at a cost of over \$3 billion. Early estimates predict the cost per participant to hover around \$20,000. Out of the over 12 million students in postsecondary institutions, this will only serve a small fraction. Trying to pay for college on a wholesale basis through community service would be enormously expensive.

National service is not the way to increase college affordability. We have other programs in place which promise to do that. The Pell Grant Program, named for my colleague from Rhode Island, and the Stafford loan program, named for my predecessor in this job, Bob Stafford, are the cornerstones of

Federal financial assistance for needy students.

Combined, they serve well over 4 million postsecondary students. But, as we all know, the Pell Grant Program has seen a decline in award levels due to unexpected increases in applications from low-income recipients. Unfortunately, the maximum Pell award decreased last year from \$2,400 to \$2,300 per student. One \$20,000 national service position could provide almost 9 more students with a Pell grant.

Do these numbers argue that we should scrap national service? Or that we should quit fighting to fund the Pell program? The answer to both of these questions is no. Our commitment to the Pell program must not waiver. Those of us who argued that the Pell program must be made an entitlement were unsuccessful in our attempts—we must now put our energies into funding it at levels adequate to meet student's need.

Nor, as I indicated earlier, do the numbers argue against national service. National service is not measured in financial terms alone. A visit to my State of Vermont is a testament to this notion. SerVermont is a wonderful Vermont organization created to coordinate students in community service activities. Just this year they designed a proposal combining 80 17- to 25-year-old adults with 200 middle-school students to provide training along with the development of arts performances for the elderly and hospitalized day-care recipients. These 280 young people will provide more than 12,000 hours of community service during the summer in the fields of health and environment.

SerVermont activities supplement the long established work of VISTA and ACTION volunteers throughout Vermont. Just this year, 3 VISTA volunteers, working with new refugees have developed a model community school program and have put together a coalition for the establishment of human rights.

Another exciting program is Vermont Youth Conservation Corps. VYCC was established in 1985 with the intent of helping to restore and preserve the State's cultural heritage. This past summer marked Vermont Youth Conservation Corps' 7th year of serving Vermont youth and improving State lands and communities. VYCC has experienced healthy growth since its inception in 1985, employing and educating over 140 Vermont youths—a 40-percent increase from last year.

Youth corpsmembers participate in a variety of conservation projects including: trail blazing, fence building, construction of drainage systems, and upgrading of community parks and grounds. But the variety of conservation projects are not the only component of the program. Educational assessments, remediation, and employ-

ment competency training are important aspects of the program. A special curriculum, writing, reading, discussion combining preemployment competencies and environmental and conservation issues, was developed specifically for VYCC. The curriculum has proven highly successful in teaching participants leadership and communication skills, involvement in community service, and appropriate tool and safety training.

VYCC has become a program which enriches the lives of Vermont youth through special learning opportunities while providing a service to Vermont communities and the environment. Corpsmembers complete the summer with a greater awareness of their own potential, a new appreciation of the environment, and an awareness of the rewards of team work and community service.

This bill brings together programs already in existence and new ones to encourage community service in our country and to create new opportunities for service. Part of those opportunities include payment or forgiveness for student loans. It is not a national program to make college affordable but it is a program that will defray the costs of what might never be an option for thousands of students and get them involved in service that will last them a lifetime.

Mr. DODD. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

(Mr. DODD assumed the chair.)

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.

(The remarks of Ms. MOSELEY-BRAUN pertaining to the introduction of S. 922 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Senator from Illinois for her fine work and look forward to reviewing her bill. I think it is significant to see the Senator from Illinois out here introducing legislation. I think that is what she is about, an active Senator. I am really looking forward to years of work with her.

(Ms. MOSELEY-BRAUN assumed the chair.)

#### THE NATIONAL COMMUNITY SERVICE AND DIRECT STUDENT LOAN PROGRAM

Mr. WELLSTONE. Madam President, I will be very brief.

Let me first of all join as a cosponsor in support of the legislation introduced today by Senator KENNEDY.

This, of course, is the President's initiative, both for the National Community Service and Direct Student Loan Program.

CONGRATULATIONS TO THE STUDENTS AND TEACHERS AT RED LAKE, MN

Mr. WELLSTONE. Madam President, I want, on the floor of the Senate, to congratulate students and teachers and others at Red Lake, MN, because they received a summer service grant. There will be 50 students at Red Lake Reservation who will be involved in environmental projects. They will become some of the leaders in the community service work in this country. So my congratulations to the Senator from Minnesota and to the students and teachers and the community of Red Lake.

First, I want to talk a little bit about several aspects of this legislation which I think are very significant. This, of course, is all about what the President has now proposed for the country.

On community service, I am really gratified that what this legislation does is make sure that we are going to have men and women from all walks of life with the opportunity to participate in national community service.

I think when we talk about grants of \$5,000 per year as a way of financing higher education or as a way of just doing community service, we have to make sure that we do not exclude any one segment of the population. At one point in time, Madam President, I was concerned that this would be, for example, just a 2-year grant upon graduation. Where would the nontraditional students fit in, students older, going back to school with children, many with single parents, who maybe could not do it 2 years en bloc? There will be flexibility for them. I was worried it would only be for younger people. Older Americans can become part of the national community service. I was worried that this would not apply to students who went to vo-tech school, who went to community colleges. I think it is much more inclusive now. I really appreciate the work of Senator KENNEDY and others in the Senate.

Second, I want to point out that the whole concept of service learning is something that I have seen in Minnesota. Peter Edelman, who has been an adviser to the White House on community service, came out to our State and held hearings. He heard about a lot of exciting, concrete models of success. We have about 100,000 young people a year now involved in service learning.

I visited a lot of schools. It is really exciting. It is the alternative to cynicism. You have younger people working with older Minnesotans, that are working with elementary schools, that are working in food shelves, working in

environmental projects, that are working in their communities. I think it is the best of education. It combines the yearning on the part of young people to serve the community with how they learn in schools. Quite often credit is granted for this service learning. Again, this is part of the legislation that is being proposed.

Then, finally, I want to point out, Madam President, that I think this Direct Loan Program is a huge step in the right direction. I think it is going to mean that many more young and not so young people are going to be able to pursue their higher education and be able to pay this back contingent upon the income they make.

I think that is important for two reasons. First, it means that men and women who want to go on and pursue their higher education can see a way that they can pay their loan back over a period of years as a percentage of the income they make so they do not have to face a problem with the cash flow, with the huge debt that has to be paid off, high interest over a relatively short period of time.

Second, it opens up many more career options. To admit to a bias of mine—I think it is the same bias you have, Madam President—I really love to see young people, men and women, involved in justice work, involved in community work. Quite often, if you have a huge loan, you are not going to have the opportunity to do VISTA-like work. You are not going to have the opportunity to be involved in human service work. You are not going to have an opportunity to do a lot of the kind of work that needs to be done in this country but could not pay much by way of wages.

I think the Direct Loan Program will give a lot of men and women who graduate with their degrees an opportunity to be involved in this kind of work, and they will begin to pay back their loan based upon the percentage of the income they make in this kind of work.

So I really believe that this legislation introduced on the floor of the Senate today is historically significant. I think it has a lot to do with how we finance higher education. I think it has a lot to do with calling on our younger students, K through 12, to be their own best selves in service learning. I think it has a lot to do with the whole concept of national community service, which I think should be very much a part of the fabric of our Nation.

And, finally Madam President, I conclude with these remarks since I am about ready to preside—I am especially gratified—and I say this not with much modesty, but actually with a lot of pride—that Minnesota has been a real leader when it comes to community service work, service learning, and all of the rest. Therefore, we are just delighted to see the country now move in the direction and catch up with some of what we have been doing.

Madam 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. FORD. 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.

NATIONAL VOTER REGISTRATION ACT OF 1993—CONFERENCE REPORT

Mr. FORD. Mr. President, I submit a report of the committee of conference on H.R. 2 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follow:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) to establish national voter procedures for Federal elections, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

Mr. FORD. Mr. President, I would like to take a few moments and talk about the conference report that is now before the Senate and how important it is, I know, to the occupant of the Chair.

Mr. President, I feel very good about what we have done. I am pleased to bring before the Senate, the conference report on H.R. 2, the National Voter Registration Act of 1993.

As my colleagues are aware, when the Senate passed H.R. 2 last March—a couple of months ago—a substantial number of amendments were offered by my Republican colleagues. A core package, as it was referred to, of nine amendments was adopted, and we were able to pass the bill at that time.

The acceptance of this core package of amendments was conditioned on their surviving the conference. Both the majority leader and myself stated that we could not make such a guarantee. However, I stated that I would make a good faith effort to protect the Senate amendments.

The conference report contains all the Senate core amendments in some form. I strongly believe—and I hope my colleagues believe—that I have fulfilled my commitment to work in an honest and good faith effort to preserve the Senate core amendments.

Let me state that this was a difficult conference. The House conferees were firmly committed to the House version of the bill. The negotiations between

House and Senate conferees were long and tough. Mr. President, I believe that this conference agreement represents the best deal that we could get with the House.

More importantly, Mr. President, I believe that the conference has produced a good bill. The conference report addresses the concerns of Members on both sides of the aisle. It will achieve universal registration reform while, at the same time, ensuring that the opportunity to register remains the right of the individual.

What are the terms of this conference agreement? There are two modifications to the Senate core amendments.

First, this agreement modifies the Senate amendment with respect to agency-based registration. As the bill passed the Senate, the only agency which would be a mandated registration site was the military recruitment offices. All other agencies were permissive.

The agreement reinstates the mandatory agency-based registration portion of the bill to include all public assistance offices, and all offices in the State that provide State-funded programs primarily engaged in providing services to persons with disabilities. Unemployment offices may be designated, but they are not mandated.

Conferees from both the House and the Senate expressed their concern that the Senate amendment would defeat a principal purpose of the bill—to expand the opportunities for all citizens to register to vote. Under the terms of the Senate amendment, if a State did not designate a public assistance office or an agency that serves the disabled, the agency-based program would exclude a segment of the population that the motor-voter provisions would not reach, primarily the poor and disabled citizens.

Realizing that this was central to attain the goals of this legislation, the conference agreement reinstated these two agencies into a mandatory provision. Together with the military recruitment centers, the agency-based registration program will reach a large number of citizens that may not otherwise have the opportunity to register under the motor-voter program.

Some conferees raised concerns about the possibility of intimidation or coercion in an agency-based registration program. While both the House bill and the Senate amendment included specific prohibitions on coercion and intimidation, the conferees preferred to include a requirement that these prohibitions and limitations be made clearer for the benefit of applicants. The conferees looked to ongoing agency-based programs in States like Minnesota and Pennsylvania for guidance.

As a result, the conference agreement includes the requirement for the inclusion of specific language on an agency's form. This language includes

the following: A question on the agency's form inquiring whether the applicant wishes to register to vote, including checking the appropriate box; a notice provision that the failure to check either box shall be interpreted as a declination to register; a notice provision that if the agency provides assistance in completing the forms, that the applicant need only to ask for such assistance; notice that the decision to register is not conditioned in any way to benefits; and last, a notice that if an applicant feels that he or she has been coerced in any way, the name of the individual to contact to file a complaint.

Second, the provisions on the appropriate polling place for individuals who have failed to notify the registrar of their change of address is modified. Under the provisions of the Senate amendment, if State law required a voter to appear at either the old polling place, a central location, or the new polling place, that State law would take precedence over the Federal bill.

However, the possibility that State law could mandate a central location raised concern among many conferees. That concern was that by requiring a person to go to a central location to change his or her address and vote could result in hardship to voters in areas where travel to such a location might be difficult due to distance or the lack of a convenient means of transportation. Such problems could discourage or even, effectively prevent, some persons from voting.

The modification of the Senate amendment is that a State has the option to designate the old or the new polling place. In that case, the other options provided under the Federal bill, are not required to be made available to the voter.

The conference report clarifies two other core amendments. The exemption clause for States with election day registration is modified that such a provision must apply to Federal elections generally, not just those in Presidential election years. There was some concern that the Senate amendment might be interpreted to exempt a State that permitted election day registration, or that had no registration requirement, for voting for Presidential electors only.

There is also a technical modification of the core amendment relating to the notice of disposition for mail registrations. The conference report simply makes it clear that where an individual registers by mail, and the notice to the applicant is sent by nonforwardable mail and returned to the registrar, the registrar must follow the purge provisions of the bill, and may not simply remove the name of the voter.

The final change to the Senate amendment is the amendment on the rule of construction. This provision, which was not part of the core amend-

ments, provided that nothing in the act prevents a State from requiring presentation of documentation relating to citizenship of an applicant for voter registration.

During the conference, the conferees decided to follow the House bill, which has no similar provision. The conferees believed that this amendment was inconsistent with the purposes of the act. Concern was expressed that this provision could be interpreted by the States to permit registration requirements that could effectively eliminate, or seriously interfere with, the mail registration program of the bill, as well as the other registration programs.

Conferees were also concerned that this provision would create confusion with regard to the relationship of the bill to the Voting Rights Act.

Mr. President, every State mandates that you must be a citizen of the United States to be eligible to vote. This bill requires that, on every application for registration, the requirements for eligibility must be clearly set forth, including citizenship. And every applicant signs a statement that they meet each and every requirement, and that statement is signed under penalty of perjury.

Mr. President, when the Senate considered this legislation, we had a lengthy debate about the merits of this legislation. I do not intend to reargue those points. But I would like to make two points that are critical to the understanding of this bill and this debate.

First, the sole objective—and I underscore "sole objective"—of this legislation is to reconnect the American people with their Government. Our democracy is based on the participation of the citizen. And that participation is through the ballot box.

We were all encouraged by a high turnout of voters in the 1992 elections. But we have to recognize that we cannot sustain that level of participation with a registration system that is outdated for today's increasingly mobile society.

Second, Mr. President, the motor-voter bill extends the opportunity to all eligible citizens of the right to participate in the system by offering a convenient and accessible means of registration. Mr. President, this legislation does not guarantee a higher turnout. I have always said that, and I want it made clear for the record. No legislation can guarantee a higher turnout. But, this legislation does guarantee a universal system of registration that will give every eligible citizen an opportunity to register. That is what this bill is all about. Expanding the opportunities for individuals to register to vote.

Mr. President, as we bring the consideration of this bill to a close, I want to thank my good friend, the distinguished senior Senator from Oregon [Mr. HATFIELD]. Senator HATFIELD has

been a steadfast supporter of this legislation since he and I joined forces back in the 101st Congress. Since that time, the Senator from Oregon has been my primary cosponsor of this legislation in both the 102d and the 103d Congresses.

Senator HATFIELD has made our efforts to achieve voter registration reform a bipartisan effort. He has recognized from the outset that the purpose of this legislation is not to increase the ranks of registered Democrats or Republicans. Rather, it is simply to increase the number of registered voters. Senator HATFIELD has long recognized that this bill will benefit democracy.

I have enjoyed working with the Senator from Oregon on this bill. It is because of his efforts that we will see this bill become law.

Mr. President, the motor-voter bill creates one-stop democracy. It will reconnect citizens with their Government. For that reason, this bill deserves to become law. I urge all my colleagues to join me adopting this conference agreement. Let us support democracy by supporting the motor-voter bill.

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

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

#### APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to section 1024, title 15, United States Code, appoints the Senator from California [Mrs. BOXER] to the Joint Economic Committee, vice the Senator from Nevada [Mr. BRYAN].

#### MORNING BUSINESS

Mr. FORD. I ask unanimous consent we now have a period of morning business with Senators permitted to speak therein.

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

#### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to Executive Session to consider the following nominations: Calendar 89. Kenneth D. Brody, to be President of the Export-Import Bank of the United States, and Calendar 90. Robert M. Sussman, to be Deputy Administrator of the Environmental Protection Agency.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

#### EXPORT-IMPORT BANK OF THE UNITED STATES

Kenneth D. Brody, of New York, to be President of the Export-Import Bank of the United States for a term of four years expiring January 20, 1997.

#### ENVIRONMENTAL PROTECTION AGENCY

Robert M. Sussman, of the District of Columbia, to be Deputy Administrator of the Environmental Protection Agency.

#### STATEMENT ON THE NOMINATION OF KENNETH BRODY

Mr. DOLE. Mr. President, I rise today to express my support for Kenneth Brody, President Clinton's nominee to be the next President and Chairman of the Export-Import Bank of the United States.

There are few nominees who are as qualified and as capable as Ken Brody. A graduate of the Harvard Business School, Ken's private-sector background is just what the doctor ordered to shake up the bureaucracy in Washington. In particular, his experience as a partner of the Goldman Sachs investment firm, where he worked on many international financings and helped the Mexican Government privatize the National Telephone Co., will prove invaluable as he grapples with the daunting task of making our country more competitive in the world markets.

This is a tall order, but having known Ken for many years now, I have no doubt that he is up to the challenge.

I look forward to working with Ken Brody and with the Clinton administration to promote American exports abroad and create jobs here at home. I commend President Clinton for this fine appointment.

#### STATEMENT ON THE NOMINATION OF KENNETH D. BRODY

Mr. D'AMATO. Mr. President, I rise in strong support of President Clinton's nomination of Kenneth D. Brody, a fellow New Yorker, to become President and Chairman of the Export-Import Bank of the United States.

Mr. President, I am pleased to say that Ken Brody is a friend and that I know him well. And let me add how very fortunate we are that the Clinton administration has put forth someone of Ken Brody's caliber—his experience, his expertise, and his understanding of business and finance on an international scale make him an outstanding choice for this important position.

For over 20 years, Ken has worked in various capacities at Goldman, Sachs, & Co., a well-known, global investment

banking firm headquartered in New York City. He was elected partner in 1978, became a member of the management committee in 1990, and is currently a limited partner.

Mr. President, Mr. Brody's business acumen was widely recognized at Goldman, Sachs and within the business and financial community. At Goldman, he coheaded the merchant banking group, headed the real estate group, founded and headed the high-technology group, and engaged in a wide range of investment banking activities. In addition, he served as a key adviser to the U.S. Department of Transportation on the privatization of Conrail, to the Mexican Government on the privatization of their holdings in the Mexican Telephone Co., and to the Rockefeller family on the public offering of Rockefeller Center.

Mr. President, it is this kind of expertise that we need at the Export-Import Bank. As you know, the Bank was created during the Great Depression to bolster U.S. economic recovery by increasing foreign trade. In the 58 years between 1934 and 1992, the Eximbank supported more than \$260 billion in U.S. exports, creating and sustaining millions of American jobs. Today, faced with international financial uncertainties and intense foreign government-supported competition at a time when we are trying to put our citizens back to work, the Bank can be instrumental in developing foreign markets for American manufacturers and businesses.

I would be remiss if I did not add that the Eximbank can also play an increasingly important role in alleviating the current credit crunch affecting small businesses. And, based on my discussions with Mr. Brody, I believe he will make small business a priority. For some time, small businesses have been able to get loan guarantees from the Eximbank, but they have been unable to find commercial banks that will actually lend them the money. The is especially true when the loans are less than \$5 million, making it particularly difficult for the smaller exporter to obtain financing. Last year, Congress mandated that the Eximbank make 10 percent of its direct loans available to small businesses to help address this problem. This mandate will enhance the ability of small businesses to export American goods and services and will translate into more jobs here at home.

Mr. President, in closing, I would like to urge my colleagues to wholeheartedly confirm Mr. Brody's nomination. He is an excellent choice, and I know that he will be an outstanding president of the Eximbank.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

## STATEMENT TO CORRECT LIST OF ORIGINAL COSPONSORS TO S. 874

Mr. PRESSLER. Mr. President, I rise today to correct a clerical error that occurred on May 4, 1993, when I introduced S. 874, legislation to reauthorize the impact aid educational program.

S. 874, when introduced, had 10 original cosponsors. However, Senators BOREN, NICKLES, and BAUCUS were inadvertently left off the list of original cosponsors in the printed bill. However, I want to state for the RECORD that these distinguished Senators are original cosponsors and I will do all I can to correct the official record to reflect this fact. I consider them to be original cosponsors and will treat them as such in all official correspondence and statements related to this legislation.

## TEST MILOSEVIC'S SINCERITY

Mr. PELL. Mr. President, yesterday, Serbian President Slobodan Milosevic, who for the past 13 months has bankrolled and backstopped the Bosnian Serb campaign of aggression in Bosnia, made an impassioned plea to the so-called parliament to accept the Vance-Owen peace plan. It appears to me that Mr. Milosevic either has had a miraculous change of heart or has given the performance of his lifetime.

Despite Mr. Milosevic's appeal, the self-styled Bosnian Serb parliamentarians, for all practical purposes, rejected the Vance-Owen plan, leaving the international community poised to take further action.

To my mind, it is time for the world to test the depth of Milosevic's sincerity. There are four steps that Milosevic and the Serbian leadership must take to prove that they indeed seek an end to the carnage being committed by their Serbian compatriots in Bosnia. First, Serbia should close its border with Bosnia, and stop the endless flow of strategic and military supplies to the Bosnian Serb fighters. Second, Serbia should end all air traffic between Serbia and areas of Bosnia controlled by the Serbs. Third, Serbia should cut off the financial pipeline to the Bosnian Serbs. Fourth, Serbia should make clear to its own population, through Serbian media, that the moral and material support have come to an end.

Before the Bosnian Serb vote, Secretary of State Christopher said that we would look not only at whether the Bosnian Serbs agreed to the peace plan, but at whether they intended to implement it. In other words, he said that we would look at actions as well as words. I believe that we should hold Mr. Milosevic to the same standard, and ensure that his actions are commensurate with his apparent newfound support for a negotiated peace.

## 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 Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGE FROM THE HOUSE

At 6:28 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution:

H. Con. Res. 81. Concurrent Resolution authorizing the 1993 Special Olympics Torch Relay to be run through the Capitol Grounds.

## MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 616. To amend the Securities Exchange Act of 1934 to permit members of national securities exchanges to effect certain transactions with respect to accounts for which such members exercise investment discretion.

## 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-799. A communication from the Secretary of Energy, transmitting, pursuant to law, notice of a delay in submitting a report; to the Committee on Energy and Natural Resources.

EC-800. A communication from the Secretary of Energy, transmitting, pursuant to law, a report for calendar year 1992; to the Committee on Energy and Natural Resources.

EC-801. A communication from the Acting Chairman of the State Energy Advisory Board, Department of Energy, transmitting, pursuant to law, a report entitled "A New Voice: Strengthening State/Federal Energy Actions, Communications, and Progress"; to the Committee on Energy and Natural Resources.

EC-802. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, a draft of proposed legislation entitled "Nuclear Regulatory Commission Authorization Act for fiscal years 1994 and 1995"; to the Committee on Environment and Public Works.

EC-803. A communication from the Acting Assistant Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, a report on the feasibility of designating an alternative to the Mud Dump Site; to the Committee on Environment and Public Works.

EC-804. A communication from the Secretary of Health and Human Services trans-

mitting, a draft of proposed legislation entitled "Family Preservation and Family Support Act of 1993"; to the Committee on Finance.

EC-805. A communication from the Acting General Counsel of the Department of the Treasury transmitting, a draft of proposed legislation to amend the Bretton Woods Agreements Act; to the Committee on Foreign Relations.

EC-806. A communication from the Acting Deputy Director, United States Office of Personnel Management, transmitting, pursuant to law, a report on the voluntary leave transfer and leave bank programs; to the Committee on Governmental Affairs.

EC-807. A communication from the Deputy Director for Administration, Central Intelligence Agency, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

EC-808. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, a report on amendments to the sentencing guidelines; to the Committee on the Judiciary.

EC-809. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, the annual report for fiscal year 1992; to the Committee on the Judiciary.

EC-810. A communication from the National Foundation on the Arts and the Humanities transmitting, a draft of proposed legislation entitled "Arts, Humanities and Museums Amendments Act of 1993"; to the Committee on Labor and Human Resources.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MOYNIHAN, from the Committee on Finance:

Margaret Milner Richardson, of Texas, to be Commissioner of Internal Revenue;

Alicia Haydock Munnell, of Massachusetts, to be an Assistant Secretary of the Treasury; Jeffrey Richard Shafer, of New Jersey, to be a Deputy Under Secretary of the Treasury;

Michael B. Levy, of Texas, to be a Deputy Under Secretary of the Treasury;

George J. Weise, of Virginia, to be Commissioner of Customs.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations:

Victor Marrero, of New York, to be the Representative of the United States of America on the Economic and Social Council of the United Nations, with the rank of Ambassador;

Wendy Ruth Sherman, of Maryland, to be an Assistant Secretary of State;

Patrick Francis Kennedy, of Illinois, to be an Assistant Secretary of State;

George Edward Moose, an Assistant Secretary of State, to be a Member of the Board of Directors of the African Development Foundation for the remainder of the term expiring September 27, 1997;

J. Brian Atwood, of the District of Columbia, to be Administrator of the Agency for International Development;

Mary A. Ryan, of Texas, to be Assistant Secretary of State for Consular Affairs;

Conrad Kenneth Harper, of New York, to be Legal Adviser of the Department of State;

Eric James Boswell, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Director of the Office of Foreign Missions, with the rank of Ambassador;

Thomas R. Pickering, of New Jersey, a Career Member of the Senior Foreign Service, with the personal rank of Career Ambassador, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Russian Federation.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: Thomas R. Pickering.

Post: United States Ambassador to India.

Contributions, amount, date, and donee:

1. Self: None
2. Spouse: None.
3. Children and spouses names: Timothy R. Pickering, and Margaret S. Pickering Schmidt.

4. Parents names: Hamilton R. Pickering (deceased, August 1987), Sarah C. Pickering.

5. Grandparents names: Deceased.

6. Brothers and spouses names: None.

7. Sisters and spouses names: Marcia S. Hunt; Bruce Hunt, \$50, September 1988, Robt Mrzak, MC; \$50, October 1988, DNC; \$50, October 1990, Robt Mrzak, MC.

Harry J. Gilmore, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Armenia.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: Harry J. Gilmore.

Post: United States Ambassador to Armenia.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: Carol Kunz Gilmore, none.
3. Children and spouses names: Gregory C. Gilmore (son), none; spouse, Karin Cesarz Gilmore, none.

4. Parents names: Harry C. Gilmore (father) deceased since August 1987; Erna E. Gilmore (mother), none.

5. Grandparents names: All deceased since onset of four-year period.

6. Brothers and spouses names: Edward B. Gilmore (brother), none; spouse, Marsha Synder Gilmore, \$150 (\$75 on two occasions) 1990, 1991, Democratic party.

7. Sisters and spouses names: Etta F. Gilmore (sister), none; spouse, John B. Maitland, none; Gwendolyn Gilmore (daughter), none; Joseph C. Gilmore (son), none.

E. Allan Wendt, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Slovenia.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform

me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: E. Allan Wendt.

Post: Slovenia.

Contributions, amount, date, and donee:

1. Self: \$100, October 1992, Aspin Committee; \$35, September 1992, Friends of Les Aspin; \$100, August 1992, Friends of Jim Moody; \$400, June 1992, Friends of Jim Moody; \$100, April 1992, Bush/Quayle 92 Primary; \$100, January 1992, Friends of Jim Moody; \$50, October 1990, Pete Wilson for Gov. (CA); \$100, October 1990, Republican Nat. Committee; \$100, April 1990, Republican Nat. Committee.

2. Spouse: NA.

3. Children and spouses names: NA.

4. Parents names: John A.F. Wendt and Dorothy Stephenson Wendt, deceased.

5. Grandparents names: Deceased.

6. Brothers names: John A.F. Wendt, Jr., \$50, October 1992, Scott McGinnis; \$50, August 1992, Ben Nighthorse Campbell; \$50, June 1992, Scott McGinnis. Stephen A. Wendt, none.

7. Sisters and spouses names: NA.

Victor Jackovich, of Iowa, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bosnia and Herzegovina.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: Radmila Jackovich, none.
3. Children and spouses names: Jacob Jackovich (Son), none.
4. Parents names: Victor and Mary Jackovich, none.

5. Grandparents names: Deceased.

6. Brothers and spouses names: None.

7. Sisters and spouses names: Janet and Sam Clark, \$50.00, Howard Buffet (R) for Douglas County Commissioner (1988); \$125.00, Hal Dobb (R) for U.S. House of Representatives (1988); \$50.00, Mike Boyle (D) for Mayor of Omaha (1989); \$50.00, Allie Milder (R) for U.S. House of Representatives (Republican Primary) (1990); \$200.00, Hal Dobb (R) for U.S. Senate (1990); \$50.00, Ron Staskiewicz (R) for U.S. House of Representatives (1990); \$10.00 (monthly), Employees' PAC (1992); \$50.00, Ron Staskiewicz (R) for U.S. House of Representatives (1992).

Pamela Harriman, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: Pamela Harriman.

Post: Ambassador to France.

Contributions, amount, date, and donee:

1. Self: 1992.—Lynn Schank for Congress, February 10, \$500; College Democrats of America, March 7, \$250; Democratic Congressional Dinner Committee, August 8, \$1,500; Ferraro for U.S. Senate, April 10, \$1,000; Lynn Yeakle for U.S. Senate, June 9, \$1,000;

Carol Moseley-Braun for Senate, June 30, \$1,000; Watt for Congress, July 7, \$500; DSCC Women's Council, July 7, \$1,500; Barbara Boxer for U.S. Senate, July 7, \$1,000; Friends of Jane Harman, July 7, \$250; AuCoin for Senate, August 14, \$1,000; Moran for Congress, October 1, \$250; Owens for Senate Committee, October 5, \$500; Friends of Geri Rothman-Serot, October 8, \$500; Friends of Les Aspin, October 14, \$1,000; Rauh for Senate, October 14, \$250; Committee to Re-elect Tom Foley, October 19, \$1,000; Friends of Geri Rothman-Serot, October 22, \$500; Citizens for Harris Wofford, November 18, \$1,000.

1991.—People for Mrazek Senatorial Campaign Committee, June 20, \$1,000; Leahy for U.S. Senate Committee, June 20, \$1,000; Democratic National Committee, August 20, \$20,000; Citizens for Harris Wofford, October 8, \$1,000; Clinton for President, October 15, \$1,000; Democratic Senatorial Campaign Committee, October 15, \$1,500; Kay Slaughter for Congress, October 22, \$500; Feinstein for Senate Committee, November 5, \$1,000; Democratic Congressional Campaign Committee, November 19, \$1,000.

1990.—Gephardt in Congress Committee, February 1, \$500; Reelect Exon for U.S. Senate Committee, In Kind, March 30, \$652; Hamilton for Congress Committee, April 9, \$500; Emily's List, April 23, \$1,000; Dante Fascell Campaign Committee, April 29, \$1,000; Harvey Gantt for U.S. Senate, June 12, \$1,000; Friends of Bob Graham, June 27, \$1,000; Citizens for Eleanor Holmes Norton, July 29, \$500; Moran for Congress, July 24, \$250; Senate Committee for Twilegar, August 24, \$1,000; Kerry for Senate, September 25, \$1,000; Lonsdale for Senate, October 24, \$1,000; David Smith for Congress, October 26, \$500; Friends of Harry Reid, November 19, \$1,000.

1989.—Johnston Senate Committee, February 23, \$1,000; Simon for Senate, March 13, \$1,000; Emily's List, April 27, \$250; Friends of Les Aspin, May 22, \$250; Sam Nunn Campaign Committee, October 19, \$1,000; Friends of Senator Rockefeller, November 8, \$1,000; Yates for Congress Committee, November 10, \$500; Democrats for the 90's, December 7, \$5,000; Re-elect Senator Pell Committee, December 7, \$1,000.

1988.—Democratic House and Senate Council, January 20, \$1,500; Dante B. Fascell Campaign Committee, March 18, \$1,000; Udall for Congress, March 18, \$250; Friends of Lindy Boggs, March 22, \$500; Friends of Jim Moody, March 22, \$500; Richard Gephardt for Congress, March 29, \$1,000; DTF-NWPC, April 8, \$500; Independent Action, Inc., May 27, \$2,000; Tom Udall for Congress, May 26, \$500; Givens 88 Committee, August 5, \$250; Committee for Congressman Ronald V. Dellums, September 14, \$500; Yates for Congress Committee, September 19, \$250; Steve Neal for Congress, October 8, \$250; David Price for Congress, October 8, \$250; Wolpe for Congress, October 8, \$250; Keep Kastenmeier in Congress, October 8, \$250; Idahoans for Stallings, October 8, \$250; Democrats for the 80's October 24, \$5,000; Brickley for Congress, November 3, \$100; Friends of Al Gore, Jr., Inc., November 10, \$1,000; Kerry for Senate in '90 Committee, November 14, \$1,000; Sloane for Senate, December 15, \$1,000.

In addition, from time to time, I have hosted fundraising events in my home for candidates and committees that I have supported.

2. Spouse: Deceased.
3. Children and spouses names: Winston S. Churchill, M.P., none.
4. Parents names: Hon. Edward Kenalm Digby (deceased); Hon. Pamela Constance Bruce Digby (deceased).

5. Grandparents names: Hon. Edward Henry Trafalgar Digby (deceased); Hon. Beryl Hood Digby (deceased).

6. Brothers and spouses names: Hon. Edward Kenalm Digby, none; Hon. Dione Sherbrooke Digby, none.

7. Sisters and spouses names: Hon. Sheila Constance Digby Moore—Charles A. Moore (deceased); Hon. Jacquetta Digby James—David James, M.P. (deceased).

(The above nominations were approved subject to the nominees' 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. LIEBERMAN:

S. 913. A bill to provide that the Vietnam Veterans Assistance Fund, Inc. shall be considered as having complied with certain national eligibility requirements for purposes of the 1992 Combined Federal Campaign, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BUMPERS (for himself and Mr. DANFORTH):

S. 914. A bill to amend the Internal Revenue Code of 1986 with respect to the discharge, or repayment, of student loans of students who agree to perform services in certain professions; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. PACKWOOD):

S. 915. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment; to the Committee on Finance.

By Mr. CRAIG (for himself, Mr. HATCH, Mr. PRESSLER, and Mr. KEMPTHORNE):

S. 916. A bill to amend the Davis-Bacon Act and the Copeland Act to provide new job opportunities, effect significant cost savings by increasing efficiency and economy in Federal procurement, promote small and minority business participation in Federal contracting, increase competition for Federal construction contracts, reduce unnecessary paperwork and reporting requirements, clarify the definition of prevailing wage, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BOND (for himself and Mr. DODD):

S. 917. A bill to provide surveillance, research, and services aimed at prevention of birth defects; to the Committee on Labor and Human Resources.

By Mr. ROTH (for himself, Mr. DURENBERGER, and Mr. GRASSLEY):

S. 918. A bill to amend the Trade Act of 1974 to provide trade adjustment assistance during the implementation and phase-in of the North American Free Trade Agreement, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. DURENBERGER, Ms. MIKULSKI, Mr. JEFFORDS, Mr. NUNN, Mr. SPECTER, Mr. BOREN, Mr. CHAFEE, Mr. BREAUX, Mr. PELL, Mr. DODD, Mr. SIMON, Mr. WELLSTONE, Mr. WOFFORD, Mr. CAMPBELL, Mr. ROCKEFELLER, Mr. ROBB, Mr. LIEBERMAN, Mr. AKAKA, and Mr. RIEGLE) (by request):

S. 919. A bill 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; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (for himself, Mr. SIMON, Mr. DURENBERGER, Mr. WELLSTONE, Mr. LIEBERMAN, Mr. BRADLEY, and Mr. RIEGLE) (by request):

S. 920. A bill to amend the Higher Education Act of 1965 to simplify the delivery of student loans to borrowers and eliminate borrower confusion; to provide a variety of repayment plans, including income contingent repayment through the EXCEL Account, to borrowers so that they have flexibility in managing their student loan repayment obligations, through an orderly transition, the Federal Family Education Loan program with the Federal Direct Student Loan program; to avoid the unnecessary cost, to taxpayers and borrowers, and administrative complexity associated with the Federal Family Education Loan program through the use of a direct student loan program; and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself, Mr. CHAFEE, Mr. GRAHAM, Mr. MOYNIHAN, Mr. MITCHELL, Mr. LIEBERMAN, Mrs. BOXER, Mr. SARBANES, Mr. PELL, Mr. KENNEDY, Mr. LEAHY, Mr. KERRY, Mr. AKAKA, and Mr. DURENBERGER):

S. 921. A bill to reauthorize and amend the Endangered Species Act for the conservation of threatened and endangered species, and for other purposes; to the Committee on Environment and Public Works.

By Ms. MOSELEY-BRAUN:

S. 922. A bill to provide that a State court may not modify an order of another State court requiring the payment of child support unless the recipient of child support payments resides in the State in which the modification is sought or consents to the seeking of the modification in that court; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. COCHRAN, Mr. GORTON, Mr. SARBANES, Mr. STEVENS, Mr. SASSER, Mr. BIDEN, Mr. REID, Mr. THURMOND, Mr. RIEGLE, Mr. WARNER, Mr. ROCKEFELLER, Mr. SHELBY, Mr. KOHL, Mr. LEVIN, Mr. D'AMATO, Mr. GRAHAM, Mr. MACK, and Mr. BOND):

S.J. Res. 88. A joint resolution to designate July 1, 1993, as "National NYSP Day"; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Ms. MOSELEY-BRAUN, Mr. SARBANES, Ms. MIKULSKI, Mr. LIEBERMAN, Mr. METZENBAUM, Mr. RIEGLE, Mr. MITCHELL, Mr. ROTH, and Mr. D'AMATO):

S.J. Res. 89. A bill to designate October 1993, as "Polish-American Heritage Month"; to the Committee on the Judiciary.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself and Mr. DANFORTH):

S. 914. A bill to amend the Internal Revenue Code of 1986 with respect to the discharge, or repayment, of student loans of students who agree to perform services in certain professions; to the Committee on Finance.

#### STUDENT LOAN DEBT DISCHARGE

● Mr. BUMPERS. Mr. President, I am today reintroducing legislation that will correct an inequity in the taxation of students whose education loans are canceled. This legislation updates section 108(f) of the Internal Revenue Code to take into account new programs for the cancellation of student loan debts that did not exist when this section was enacted.

Normally, when an individual's debts are discharged or canceled, the individual is deemed to have received taxable income in the amount of the discharge or cancellation. However, section 108(f) currently provides that when a debt or loan of a student is discharged or canceled by the Federal or a State government, the student is not considered to have received taxable income in the amount of the cancellation. This is similar to provisions of section 108(f) that have the same effect when it is the debt or loan of a farmer that is discharged or canceled.

The problem is that section 108(f) does not apply to the many new programs where private universities, colleges, and other nonprofit organizations are the ones discharging or canceling the student loan debts. This means that in these cases the loan discharge or cancellation generates taxable income for the student in the amount of the discharged or canceled debt.

It is not fair to provide different tax treatment for the discharge or cancellation of debts when it is the Federal Government or a State government that is the moving party than when it is a private university, college, or other nonprofit organization that is involved. There is no tax policy that would justify or explain this different tax treatment based on who discharges or cancels the debt or loan.

Section 108(f) only applies to cancellation of Federal or State government student loans because these were the only loan cancellation programs in existence in the mid 1970's when this section of the Code was enacted. Section 108(f) was enacted to deal with Federal and State loan cancellation programs that sought to encourage doctors to serve in rural areas. Other grounds for cancellation of Federal and State student loans have been adopted since then and they all fit within the language of section 108(f) regarding the discharge of indebtedness/taxable income question.

In the past few years, however, a large number of universities and colleges have established loan cancellation programs. These newer loan cancellation programs seek to encourage students to serve as low-paid employees of a community service organization and to serve as public interest or legal services lawyers. These new programs are not covered by the existing language of section 108(f).

The growth of these new loan cancellation programs is a response to: the increase in the size and importance of university and college loan programs; cutbacks in Federal loan programs; the rapid increase in the cost of higher education; the rapid increase in student loan indebtedness; and the perception that financial considerations are undermining the commitment of the next generation to public and community service.

The most well developed private loan cancellation programs so far are for law school graduates who are entering public interest law or legal services work. There are now 44 law schools with loan cancellation programs: American University, Boston College, Brooklyn University, University of California at Berkeley, University of California at Davis, University of California at Hastings, Case Western Reserve University, University of Chicago, Columbia University, Cornell University, City University of New York, Duke University, Emory University, Fordham University, Franklin Pierce Law Center, Georgetown University, Golden Gate University, Hamline University, Harvard University, Hofstra University, Illinois Institute of Technology, Loyola Law School in Los Angeles, Michigan University, New York University, Northeastern University, Northwestern University, University of Notre Dame, Nova University, Ohio State University, University of Pennsylvania, University of San Francisco, Santa Clara University, University of Southern California, Southern Methodist University, Southwestern University, Stanford University, Suffolk University, Temple University, Tulane University, Valparaiso University, Vanderbilt University, University of Virginia, University of Washington, and Yale University.

Other loan cancellation programs have been established by bar associations, regional foundations, nonprofit organizations or State legislatures in Arizona, Florida, Maryland, Minnesota, New Haven, CT, New York, North Carolina, and Tennessee. In other States, including Massachusetts and California, bar associations or other foundations are actively exploring the creation or funding of regional public interest loan cancellation programs. The ABA House of Delegates and the ABA Law Student Division have passed resolutions to set up these loan cancellation programs.

It is more difficult to obtain lists of other, nonlaw school loan cancellation programs. The Maryland program, funded and administered by the State, covers doctors, nurses, and social workers. There are also loan cancellation programs at a number of other graduate or professional schools around the country, including the Kennedy School of Government, the Harvard Business School, and the Stanford Business School.

Loan cancellation is a new idea that is spreading beyond the law schools. And the legislation I am introducing today would encourage the spread of this loan cancellation for public service idea. Much of the experience so far is with law school graduates, but the same idea could well be extended to graduates of medical schools, schools of social work, schools of architectures, or to undergraduates.

At present the total amount of university/college sponsored student loans is dwarfed by the Federal and State loan programs. And, the Federal and State loan cancellation programs also dwarf the loan cancellation programs that have been established by these schools. At present, only a fairly wealthy university or college can afford to set up its own loan program. And, even fewer universities or colleges can afford to set up a loan cancellation program. But, these are both trends that this legislation will encourage.

The National Association for Public Interest Law [NAPIL] has compiled statistics that find that the total amount of the loan canceled in 1990—the last year for which full information is available; 14 new loan cancellation programs have been established by law schools in the time since—for law students was nearly \$2.3 million and that 713 law school graduates had loans partially canceled. Harvard University Law School was the largest participant with \$826,256 in loans canceled for 170 graduates. Second was Columbia Law School with \$296,420 in loans canceled for 59 graduates.

These loan cancellation programs at law schools respond to two realities in the marketplace. First, the tuition increase at law schools has increased much faster than the rate of inflation. From 1982 to 1991 the median tuition at public law schools increased 141.01 percent for in-State students and 139.06 percent for out-of-State students. During the same period the median tuition at private law schools increased 126.78 percent. These rates substantially exceeded the inflation for this period.

Second, salaries in the marketplace for public and community service positions are low, particularly in relation to the student debt load and competing salaries at law firms and elsewhere in the legal community. According to the National Association for Law Placement, the average salary for 1991 law graduates who took jobs in public service or public interest areas earned a median salary of \$25,000, while graduates who entered private practice earned a median starting salary of \$51,000.

This extreme salary differential is the key reality that has led to the establishment of so many loan cancellation programs at America's law schools. For example, a significant number of low-income and public interest legal services organizations cited

educational debt as a factor contributing to the difficulties they have experienced in recruiting and retaining entry-level staff attorneys, especially those from minority groups, according to a joint survey coordinated by the National Association for Public Interest Law and the National Legal Aid and Defenders Association in 1992.

The original purpose of section 108(f) is well served if it is modified to cover the new loan cancellation programs of private universities, colleges, and other nonprofit organizations. These loan cancellation programs have the same basic purpose and goal of the Federal and State government student loan cancellation programs which are already covered by section 108(f).

Extending section 108(f) is also consistent with the current tax policy with respect to university and college scholarship funds, which are not considered to be income to the student receiving the scholarship unless the amount of the scholarship exceeds the costs of tuition and course related expenses. If the university or college had given the student a scholarship rather than a loan, the scholarship would not have constituted taxable income. When the college or university cancels a loan, it is, in effect, converting a loan into a scholarship and this also should not generate taxable income.

The schools that are participating in these loan cancellation programs can leverage their funds if they cancel loans rather than simply expand the amount of scholarships they award in the first place. For instance, a law school with \$5,000 in financial aid money to spend could choose to award a scholarship to a law student who may, after graduation, go to work for a law firm at a \$75,000 yearly salary, but the money is much more effective if the same \$5,000 is spent to cancel the loan of a law school graduate who is working in a public defender program for \$20,000. In this case, the need for the scholarship is better determined after a student graduates.

Most of these loan cancellation programs at law schools are ingeniously tailored to carefully limit expenditures. Programs only provide assistance while an individual remains in the public sector and in many programs educational debts are not discharged until the individual's third year in practice and then are forgiven gradually over the next 6 years. If at any point, a graduate accepts employment in the private sector or his or her salary exceeds a maximum amount, no further loan cancellation will take place.

Amending section 108(f) would encourage universities and colleges to establish and expand loan cancellation programs and to solicit charitable contributions to fund loan cancellation programs, encourage more young people to perform public and community

service under these programs, and help to relieve the student loan debt problem.

The establishment of loan cancellation programs in the private sector by universities, colleges, and other non-profit organizations will encourage innovation, experimentation, and the promotion of public service careers. This is a case where a very small investment of the Federal Government's revenue can have a multiplier effect for actions in the private sector.

Amending section 108(f) does not undermine the 1986 Tax Reform law. Basically it just updates section 108(f) so that it applies to the range of student loan cancellation programs which have come into existence since section 108(f) was enacted in 1976. This is a technical problem that extends the current tax policy to similarly situated taxpayers. It does not involve adoption of any new policy on the discharge of indebtedness issue.

The Joint Committee on Taxation has found that this bill would "result in a negligible revenue loss in each of the 5 fiscal years contained in the 1992-96 budget period." (March 15, 1991, letter from Stuart A. Brown) With only \$2.3 million in loans canceled for law students, the bill would lose an insignificant amount of revenue. Most of the students whose loans are canceled are probably in the 15-percent tax bracket. This amendment might be a catalyst to spur the formation of more loan cancellation programs, but the revenue impact of this would be long-term and probably would not be reflected in the estimate.

These loan cancellation programs and this legislation is strongly supported by the American Bar Association, the National Senior Citizens Law Center, NAPIL, the National Legal Aid and Defenders Association, the National Association for Law Placement, the Project Advisory Group, and the Association of American Law Schools. I am sure that the coalition in favor of the legislation will expand rapidly when we publicize what we are doing with the bill.

I am interested in this issue because I have been the principal advocate in the Congress for amending the Federal student aid program to provide for loan cancellation for students who perform full-time, low-paid community service upon graduation. Because my proposals concern cancellation of a Federal Government loan the Federal Government itself, it falls within the current language of section 108(f). But, this work on my other bill brought this issue covered in this bill to my attention.

The bill I am introducing covers three types of loan cancellation programs.

First, it extends the current discharge of indebtedness provision to include discharge of loan debt by institutions of higher education. This provi-

sion covers programs where it is the university or college's own loans that are being canceled.

This provision also covers cases where a private bank is canceling its own loans. Banks might in some cases be persuaded to cancel the loans of some students in exchange for community service in the community in which the bank is located. I know of no programs where banks are now doing this, but given the problems we've had with the limitations of section 108(f), we might as well try to take future developments into account this time.

Second, the bill also includes a provision that provides the same tax treatment if a university, college, or other nonprofit organization extends an additional loan—which it then cancels—to the student to help the student repay loans from some other source, including the Federal and State government, banks, and financial institutions. The loan cancellation program must take steps to ensure that the loans given to the student—which are then canceled—are, in fact, used by the student for the purpose of repaying the student's other loans.

Third, the bill includes a provision that permits the loan cancellation program to make payments on a graduate's educational loans directly to the original lender. The second provision is different only in that the student is the one who actually makes the payment, while with the third it is the loan cancellation program that cuts the check.

We want to make sure that we cover all of the different types of loan cancellation programs. We want to encourage innovation and not constrain the programs in ways that have no bearing on the Federal Government's legitimate tax policy interests.

The bill provides that the loan cancellation cannot be funded by the employer of the student. We need this limitation to avoid any possibility of an employer substituting loan cancellation, which this bill ensures does not generate taxable income, for wages and salary, which is fully taxable.

The employment of the student must be in a field that is related to the education provided by the university or college to the student.

Finally, the bill is prospective in application. It applies only to loan cancellations that occur after the date of enactment of the legislation. It confers no retroactive windfall on any student for a loan cancellation in the past.

This legislation should enjoy bipartisan support. It is basically a technical amendment to bring section 108(f) up-to-date to cover the new loan cancellation programs that have come into existence since section 108(f) was last amended. We all will benefit from these loan cancellation programs as they encourage more of our young people to serve the community.

During the last Congress this legislation was included in section 7104 of the

Revenue Act of 1992 (H.R. 11), which was vetoed by President Bush. This year a tax bill will become law and I am confident that this worthwhile provision will be included.

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. 914

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

**SECTION 1. TREATMENT OF DISCHARGE OR REPAYMENT OF STUDENT LOANS.**

(a) DISCHARGE OF INDEBTEDNESS.—  
(1) ORGANIZATIONS MAKING LOANS TO WHICH DISCHARGE RULES APPLY.—Paragraph (2) of section 108(f) of the Internal Revenue Code of 1986 is amended by striking "or" at the end of subparagraph (C), and by striking subparagraph (D) and inserting:

"(D) any bank (as defined in section 581) or any financial institution to which section 593 applies; or

"(E) any educational organization described in section 170(b)(1)(A)(ii), including loans pursuant to an agreement with any entity described in subparagraph (A), (B), (C), or (D) under which the funds from which the loan was made were provided go such educational organization."

(2) LOANS TO REPAY OTHER LOANS TO QUALIFY.—Section 108(f)(2) of such Code is amended by inserting ", or any loan to such individual by such organization or an organization described in section 501(a) which is exempt from tax under section 501(c) to repay such a loan," after "section 170(b)(1)(A)(ii)".

(b) CONDITIONS FOR EXCLUSION.—Section 108(f)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual, gross income does not include—

"(A) any amount which (but for this subsection) would be includable in gross income by reason of the discharge (in whole or in part) of any student loan, or

"(B) the repayment of a student loan by an educational organization described in section 170(b)(1)(A)(ii) or an organization described in section 501(a) which is exempt from tax under section 501(c),

if such discharge or repayment was pursuant to a provision of such loan or a program under which all or part of such loan would be discharged or repaid if such individual is employed (during or after enrollment as a student at such educational organization) for a certain period of time in certain professions related to the education provided to the individual by the educational organization and for any of a broad class of employers. Subparagraph (B) shall not apply if the employment described in the preceding sentence is with the organization repaying the student loan."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any discharge, or repayment, of a student loan after the date of the enactment of this Act, in taxable years ending after such date.●

● Mr. DANFORTH. Mr. President, today I, along with Senator BUMPERS, am introducing legislation to amend section 108(f) of the Internal Revenue Code to include new programs for the cancellation of loan debts.

Under current law, if the Federal or a State government cancels student loan

debts, no income is generated to the student debtor. Today, there are many new programs that use the cancellation of student debt to encourage people to enter public service. These new programs are often instituted by someone other than the Federal or State governments. Because these loan cancellation programs are not covered by section 108(f), the student debtors are taxed on the amount of the canceled loan. For a recent graduate working in a low-paid public interest job, the tax burden created by this is heavy. These new loan cancellation programs are an excellent way to encourage advanced degree students to enter the public service. In order to make them truly effective and more widely used, the Tax Code must be updated.

Section 108(f) of the Internal Revenue Code was enacted in the mid-seventies with the intent of encouraging doctors to practice in rural areas. This part of the code has been expanded to include other grounds for cancellation of Federal and State student loans. The inclusion of private loan cancellation programs, based on the same basic premise, would be a natural extension of section 108(f). A revenue estimate done by the Joint Committee on Taxation found that the amendments to the code would result in a negligible revenue loss for the fiscal year 1992-96.

More and more private institutions have begun to offer loan cancellation as an incentive for students considering public interest work. These programs help defray the costs of increasingly expensive graduate studies while making up for the decreasing availability of Government loans. They also offset the salary advantages of entering the private sector instead of public interest work. The programs instituted by universities serve the same purpose as those administered by the Federal and State governments. They should therefore receive the same tax treatment.

Many of the new loan cancellation programs are sponsored by law schools. Each program is structured differently, but most are designed for graduates who perform law related work for the Government, private groups serving the public interest, or nonprofit organizations. The Jaffin Loan Assistance Program at Columbia University School of Law is an example of one such loan cancellation system. The program at Columbia applies to all loans received under institutionally approved and certified loan plans. Columbia offers loan forgiveness for graduates according to their adjusted gross income, based on a scale of decreasing benefits for income over \$35,000. Loan forgiveness begins in the 4th year of public interest work, with full forgiveness by the 10th year. The number of graduates who entered the program has risen steadily since 1983, with 29 students entering in 1991. While the struc-

ture of each loan cancellation program is different, the results are similar.

Loan cancellation programs are not limited to private institutions, nor are they only present at law schools. In addition to the six Statewide loan cancellation programs in Arizona, Florida, Maryland, Minnesota, North Carolina, and Tennessee, several public universities, such as the University of Maryland, the University of Virginia, the University of Michigan, and many schools in the California system have different types of loan cancellation programs, as do the Kennedy School of Government, the Harvard Business School and the Stanford Business School. These are worthwhile programs and should be encouraged.

Private loan cancellation programs, like Government sponsored programs, are an important way to make public interest careers more feasible for debt burdened graduate students. They help meet the needs of the community at large by increasing the number of professionals available to serve. It is natural that they should receive the same tax treatment as Government programs, under section 108(f). By supporting all loan cancellation programs we can help encourage graduate students to enter into public service.

Mr. President, I urge my colleagues to cosponsor this legislation and assist in enacting it during the tax bill this year. ●

By Mr. BAUCUS (for himself and Mr. PACKWOOD):

S. 915. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment; to the Committee on Finance.

SEMICONDUCTOR INVESTMENT ACT OF 1993

● Mr. BAUCUS. Mr. President, today I join with my colleague, Senator PACKWOOD, in introducing the Semiconductor Investment Act of 1993. This legislation will enhance the international competitiveness of the U.S. semiconductor industry. The bill will shorten the depreciable life of semiconductor manufacturing equipment to more realistically reflect the rapid pace of technological change in this industry. A simple change in the tax depreciable life of semiconductor manufacturing equipment from 5 to 3 years will make it much easier for U.S. semiconductor manufacturers to invest the capital needed to maintain state-of-the-art facilities.

Let there be no doubt about the importance of a vibrant American semiconductor industry. Semiconductors are the brains behind most modern equipment. The industry is as fast-paced as it is important. Studies show that the new generation of process technology is currently a 3-year cycle.

Further, the economic value of semiconductor manufacturing equipment is typically exhausted within a year or

two after being introduced. We need tax laws that reflect this reality, so that American industry can compete and invest in the latest generation of equipment and take full advantage of the improvements in semiconductor technology.

Under current law, semiconductor manufacturing equipment is depreciated over 5 years for Federal income tax purposes. This legislation will provide a 3-year depreciation life for such equipment more accurately reflecting the depletion of economic value resulting from the industry's rapid technological change. The 3-year depreciation life will apply for both regular tax and alternative minimum tax purposes.

This bill will enhance the international competitiveness of the U.S. semiconductor industry, and help U.S. semiconductor companies continue to regain lost market share. Semiconductors are crucial to our progress as a Nation. They are an essential part of cutting-edge information and communication technology as well as a key component of modern defense capabilities.

Mr. President, I appreciate the efforts of Senator PACKWOOD in cosponsoring this legislation, and I urge my other colleagues to support this bill and help to move it forward. I ask for 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. 915

*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 "Semiconductor Investment Act of 1993".

SEC. 2. THREE-YEAR DEPRECIABLE LIFE FOR SEMICONDUCTOR MANUFACTURING EQUIPMENT.

(a) IN GENERAL.—Section 168(e)(3)(A) of the Internal Revenue Code of 1986 (relating to 3-year property) is amended by striking "and" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", and", and by inserting at the end the following:

"(iii) any semi-conductor manufacturing equipment."

(b) CONFORMING AMENDMENTS.—

(1) Section 168(e)(3)(B) of such Code is amended by striking clause (ii) and by redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively.

(2) Section 268(g)(3)(B) of such Code is amended—

(A) by striking the item relating to subparagraph (B)(ii) and inserting the following new item:

"(A)(iii) ..... 3",

and

(B) by striking "(B)(iii)" and inserting "(B)(ii)".

(c) EFFECTIVE DATE.—The amendments made by this Act shall apply to property placed in service after the date of the enactment of this Act. ●

● Mr. PACKWOOD. Mr. President, I am pleased to join my distinguished col-

league, Senator BAUCUS, in introducing the Semiconductor Investment Act, a bill to reduce the depreciable life of semiconductor manufacturing equipment from 5 years to 3 years.

Last year Senator BAUCUS and I introduced this important legislation. Our bill was not included in the Revenue Act of 1992, H.R. 11. However, Congress did believe this issue did merit the Treasury Department to study the issue. Unfortunately, H.R. 11 was not enacted into law and this issue still needs to be addressed.

Mr. President, semiconductors are the future of the information age. For this reason, I believe that a world class semiconductor industry is in the United States' best economic and national security interests.

To compete in today's global chip market, our domestic manufacturers must be at the forefront of technology. This requires substantial capital investments. However, our current tax laws put U.S. manufacturers at a competitive disadvantage in the world market.

Japanese semiconductor producers, for example, can depreciate up to 88 percent of their manufacturing equipment in the first year. U.S. producers, on the other hand, can deduct only 10 percent in the first year. This means that our domestic industry's chief competitors will have more capital available to invest in future technologies.

Reducing the depreciable life of semiconductor manufacturing equipment to 3 years will help U.S. semiconductor manufacturers keep pace with these rapid technological changes and strengthen their international competitiveness.

Mr. President, I urge our colleagues to join Senator BAUCUS and me in cosponsoring this bill.●

By Mr. CRAIG:

S. 916. A bill to amend the Davis-Bacon Act and the Copeland Act to provide new job opportunities, effect significant cost savings by increasing efficiency and economy in Federal procurement, promote small and minority business participation in Federal contracting, increase competition for Federal construction contracts, reduce unnecessary paperwork and reporting requirements, clarify the definition of prevailing wage, and for other purposes; to the Committee on Labor and Human Resources.

#### DAVIS-BACON REFORM ACT

● Mr. CRAIG. Mr. President, I rise today to introduce a bill, S. 916, to significantly reform the Davis-Bacon Act of 1931. I urge my colleagues to join me as cosponsors of this bill.

Under the Davis-Bacon Act, the Secretary of Labor sets wage rates, locality, and prescribes work rules for every category of worker employed on Federal and federally assisted construction, alteration, and repair projects.

When the Senate considered the fiscal year 1994 budget resolution several weeks ago, I offered an amendment to achieve several billion dollars in deficit reduction by providing for the repeal of Davis-Bacon. That amendment was tabled, but it led to some very informative discussions with some of my colleagues.

Many of us believed then, and still do now, that Davis-Bacon is outdated, severely restricts competition for Federal contracts, is counterproductive of its stated purposes and congressional intent, discriminates against small and minority-owned businesses, discriminates against minority and other disadvantaged workers, is impossible to administer the way it is supposed to be, is onerous in its regulatory and paperwork requirements, and wastes billions of taxpayer dollars.

The long-stated purpose of the act is to protect local contractors and labor markets from unfair, itinerant competition. Sadly, over the years, the act has grown to have the opposite effect, reserving the \$50 billion market of Federal contracting for a small club of large contractors that follow Davis-Bacon projects all around the country. The antilocal bias is particularly pronounced in small towns and rural areas.

Davis-Bacon discourages small and minority-owned firms from bidding on Federal projects, including the small projects they normally would be expected to compete for and win. It closes the door of job opportunity on those entry-level workers who are most in need of help up the first rung of the economic ladder, by shutting out the employers which, experience shows, are the most likely to bring them into the work force and teach them skills.

The Copeland Act requires contractors covered by the Davis-Bacon Act to submit payroll reports as voluminous as the entire payroll records themselves to the Federal contracting agency on a weekly basis. Payrolls and work assignments are complicated further by 1930's-vintage, craft-based, work rules.

Frequently, the disparity between the costs of Davis-Bacon and non-Davis-Bacon projects are so great that small and minority businesses decline to bid on Federal construction projects to avoid serious disruption of their labor forces. Many communities have found that projects that were economically viable without Davis-Bacon are not viable with it. Some have even turned down Federal grants once it was clear that they came with Davis-Bacon strings attached.

Even with the implementation late last year of the Department of Labor's regulation allowing the expanded use of helpers, an administrative improvement validated by 9 years of Federal court tests, Davis-Bacon still adds almost \$1 billion a year to Federal con-

struction costs. Additional costs are incurred when partial Federal funding triggers Davis-Bacon coverage of matching funds from State, local, and private sources.

However, a number of our colleagues who agree that Davis-Bacon does create such problems, also believe, quite sincerely, that there is still a need for such a law.

They believe that, due to its sometimes seasonal and transient nature, Federal construction contracting still would be susceptible to wage-based underbidding and local labor standards could be disrupted if something like the Davis-Bacon Act didn't apply to large Federal construction projects.

So, I cast about to see if it was possible to address both sets of concerns in a single piece of legislation. The result is the bill that I am introducing today, the Davis-Bacon Reform Act. I believe this bill presents a carefully calibrated compromise position.

This bill would save about \$4 billion in budget and obligational authority, and \$3 billion in outlays, over 5 years.

It would eliminate almost every major problem associated with the Davis-Bacon Act by individually addressing and reforming the major operations of the act.

It would exempt small projects—those under \$500,000—from Davis-Bacon, reduce paperwork to manageable levels, and ensure the accurate reflection of truly locally prevailing wages. Such reform is a simple matter of economy, efficiency, and fairness in Government contracting, and is exactly the kind of policy change that is absolutely necessary if we are ever to get the Federal budget under control.

At the same time, this bill would leave intact the basic labor standards protections the act was originally designed to protect. Wage surveys would continue to be conducted, prevailing wage determinations issued, payroll compliance reported and verified, and appropriate enforcement actions taken.

I ask unanimous consent to include in the RECORD the text of the bill and a description of its provisions.

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

S. 916

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

#### SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Davis-Bacon Reform Act".

(b) REFERENCE.—Whenever in this Act (other than in section 12) an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Act of March 3, 1931, entitled "An Act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and

subcontractors, and for other purposes" (40 U.S.C. 276a et seq.) (commonly referred to as the "Davis-Bacon Act").

#### SEC. 2. INCREASE IN THRESHOLD AMOUNT.

Subsection (a) of section 1 (40 U.S.C. 276a(a)) is amended by striking out "\$2,000" and inserting in lieu thereof "\$500,000".

#### SEC. 3. APPROPRIATE CIVIL SUBDIVISION FOR COMPUTATION OF PREVAILING WAGE.

Subsection (a) of section 1 (40 U.S.C. 276(a)) is amended by striking out "the city, town, village, or other civil subdivision of the State, in which the work is to be performed," and inserting in lieu thereof "the particular urban or rural subdivision (of the State) in which the work is to be performed."

#### SEC. 4. DETERMINATION OF PREVAILING WAGE.

Subsection (a) of section 1 (40 U.S.C. 276(a)) is amended by adding at the end thereof the following new sentence: "In determining the prevailing wage for a class of laborers, mechanics, or helpers where more than a single wage is being paid to the corresponding class of laborers, mechanics, or helpers, the Secretary shall establish as the prevailing wage the entire range of wages being paid to such corresponding class of laborers, mechanics, or helpers employed on private industry projects of a character similar to the contract work in the urban or rural subdivision of the State in which the work is to be performed, or in the District of Columbia if the work is to be performed there."

#### SEC. 5. EXCLUSION OF FEDERAL PROJECTS FROM PREVAILING WAGE COMPUTATION.

Subsection (b)(1) of section 1 (40 U.S.C. 276a(b)(1)) is amended by inserting before the semicolon the following: ", excluding the basic hourly rates of pay of individuals whose wages are established pursuant to the requirements of this Act, unless it is determined that there is insufficient wage data to determine the prevailing wages in the absence of data from such Federal or federally assisted projects".

#### SEC. 6. CLASSIFICATION OF HELPERS.

Section 1 (40 U.S.C. 276a) is amended by adding at the end thereof the following new subsection:

"(c)(1) For the purposes of this Act, helpers of laborers or mechanics shall be considered as a separate class and prevailing wages for such helpers shall be determined on the basis of the corresponding class of helpers employed on private industry projects of a character similar to the contract work in the urban or rural subdivision of the State in which the work is to be performed, or in the District of Columbia if the work is to be performed there.

"(2) For purposes of this section, the term 'helper' means a semi-skilled worker (rather than a skilled journeyman mechanic) who—

"(A) works under the direction of and assists a journeyman,

"(B) under the direction and supervision of the journeyman, performs a variety of duties to assist the journeyman, such as—

"(i) preparing, carrying, and furnishing materials, tools, equipment, and supplies and maintaining them in order,

"(ii) cleaning and preparing work areas,

"(iii) lifting, positioning, and holding materials or tools, and

"(iv) other related semi-skilled tasks as directed by the journeyman, and

"(C) may use tools of the trade which are under the direction and supervision of the journeyman."

#### SEC. 7. PROHIBITION ON CONTRACT-SPLITTING.

Section 1 (40 U.S.C. 276a) (as amended by section 6) is further amended by adding at

the end thereof the following new subsections:

"(d) Any person entering into a contract under which wages are to be determined in accordance with this Act shall not divide any project into contracts of \$500,000 or less if the project would not have been so divided but for the purpose of avoiding the application of this Act.

"(e) Whenever the Secretary of Labor determines that a division for such purpose as described in subsection (d) has occurred, the Secretary may—

"(1) require that the contracts, grants, or other instruments providing Federal financing or assistance be amended so as to incorporate retroactively all the provisions which would have been required under this Act or other applicable prevailing wage statute, and

"(2) require the contracting or assisting agency, the recipient of Federal financing or assistance, or any other entity which awarded the contract or instrument providing Federal financing or assistance in violation of this section, to compensate the contractor, the grantee, or other recipient of Federal assistance, as appropriate, for payment to each affected laborer, mechanic, and helper, of an amount equal to the difference between the rate received and the applicable prevailing wage rate, with interest on wages due at the rate specified in section 6621(c) of the Internal Revenue Code of 1986, from the date the work was performed by such laborers, mechanics, and helpers.

"(f) The Secretary shall make a determination that a division for such purpose as described in subsection (d) has occurred only where the Secretary has notified the agency or entity in question not later than 180 days after completion of construction on the project that an investigation will be conducted concerning an alleged violation of this subsection."

#### SEC. 8. TECHNICAL AMENDMENT APPLYING REFORM TO RELATED ACTS.

The Act (40 U.S.C. 276a et seq.) is amended by adding at the end thereof the following new section:

"SEC. 8. No provision of any law requiring the payment of prevailing wage rates as determined by the Secretary in accordance with this Act shall apply to contracts for construction, alteration, or repair valued at \$500,000 or less, or in the case of rent supplement assistance or other assistance for which the instrument of Federal financing or assistance does not have an aggregate dollar amount, where the assisted project is in the amount of \$500,000 or less."

#### SEC. 9. MATCHING FUNDS.

The Act (40 U.S.C. 276a et seq.) (as amended by section 8) is further amended by adding at the end thereof the following new section:

"SEC. 9. In the case of a grant or other instrument by which the Federal Government provides to or shares with any State or subdivision thereof funding of a construction, alteration, repair, rehabilitation, reconstruction, or renovation project, any law requiring the payment of prevailing wage rates as determined by the Secretary in accordance with this Act shall apply to that project only if at least 25 percent of the costs of that project are paid by the Federal grant or instrument."

#### SEC. 10. VOLUNTARY CONTRIBUTION OF SERVICES.

(a) IN GENERAL.—The Act (40 U.S.C. 276a et seq.) (as amended by sections 8 and 9) is further amended by adding at the end thereof the following new section:

"SEC. 10. The provisions of section 1 of this Act relating to the wages required to be paid shall not apply to any individual—

"(1) who contributes services on a voluntary basis; and

"(2) who—

"(A) does not receive compensation for such services; or

"(B) is paid expenses, reasonable benefits, or a nominal fee for such services; and

"(3) whose contribution of such services is specifically approved in advance by the contracting or assisting agency, the recipient of Federal financing or assistance, or other entity which awarded the contract or instrument providing Federal financing or assistance, which is the entity in the closest relation to the work to be performed; and

"(4) whose contribution of such services is not for the benefit or competitive advantage of any contractor otherwise performing or seeking to perform work on the same project."

(b) TECHNICAL AMENDMENT.—Subsection (b) of section 3 (40 U.S.C. 276a-2) is amended by inserting "(except as provided for in section 10 of this Act)" after "agreed to accept less than the required rate of wages".

#### SEC. 11. TECHNICAL AMENDMENTS.

(a) SHORT TITLE.—The Act (40 U.S.C. 276a et seq.) is amended—

(1) by redesignating sections 1 through 6 as sections 2 through 7, respectively; and

(2) by inserting before section 2, as so redesignated, the following new section:

"SECTION 1. This Act may be cited as the 'Davis-Bacon Act'."

(b) PAYMENT OF WAGES BY COMPTROLLER GENERAL.—Subsection (a) of section 4, as so redesignated, (40 U.S.C. 276a-2) is amended by striking out the first sentence and inserting in lieu thereof the following new sentences: "In accordance with regulations issued by the Secretary pursuant to Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267), any wages found to be due to laborers, mechanics, and helpers pursuant to this Act shall be paid directly to such laborers, mechanics, and helpers from any accrued payments withheld under the terms of the contract. Any sums due laborers, mechanics, or helpers under section 1, not paid because of inability to do so within 3 years, shall revert to or be deposited into the Treasury of the United States. The Administrator of General Services shall distribute a list to all departments of the Government giving the names of persons or firms that the Secretary has found to have disregarded their obligations to employees and subcontractors."

SEC. 12. COPELAND ACT PAPERWORK REDUCTION AMENDMENT.

(a) STATEMENTS.—Section 2 of the Act of June 13, 1934, entitled "An Act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes" (40 U.S.C. 276c) (commonly referred to as the "Copeland Act") is amended by striking out "shall furnish weekly a statement with respect to the wages paid each employee during the preceding week" and inserting in lieu thereof "shall furnish, at the beginning, midpoint, and conclusion of the period covered by the contract, a statement with respect to the weekly wages paid each employee during such period, except that such statement shall be furnished no less often than every 3 months".

(b) APPLICATION.—Section 2 of such Act (40 U.S.C. 276c) is further amended by adding at the end thereof the following new sentence: "This section shall not apply to any contract or project that is exempted by its size from the application of the Davis-Bacon Act."

**SEC. 13. REPORTS REQUIRED.**

Beginning 1 year after the effective date of the amendments made by this Act, and at intervals of 1 year thereafter, the Secretary of Labor and the Comptroller General of the United States shall each prepare and submit to the appropriate committees of Congress a report describing the results of a review of the implementation, enforcement, administration, impact on local wages, and impact on local and national economies of the Act of March 3, 1931 (the Davis-Bacon Act), the Act of June 13, 1934 (the Copeland Act), and the amendments made by this Act during the preceding 12-month period, including recommendations for such further legislation as may be appropriate.

**SEC. 14. EFFECTIVE DATE.**

The amendments made by this Act shall take effect on the date that is 60 days after the date of enactment of this Act but shall not affect any contract in existence on that date or made pursuant to invitations for bids outstanding on that date.

**SUMMARY OF DAVIS-BACON REFORM ACT**

1. Increase the threshold for coverage to contracts greater than \$500,000, with provisions prohibiting contract-splitting. This would open up federal construction to many small businesses that are unable to compete for contracts because of Davis-Bacon requirements. 85% of the total dollar volume of all federal construction would be subject to Davis-Bacon.

2. Allow the use of semi-skilled helpers on projects covered by Davis-Bacon in areas where the use of helpers is an identifiable practice to bring Federal projects would bring federal construction practices in line with the private sector. Codify the definition of helpers established by the Department of Labor, validated by nine years of court tests, that carefully defines helpers to prevent the substitution of helpers for skilled workers. Helpers are utilized now on more than 70% of private construction projects.

3. Define prevailing wages as the entire range of wages paid to the corresponding class of workers in an area. This would reflect locally prevailing wages more fully and accurately, while providing the basic protections intended by the Act. The Davis-Bacon Act currently contains no definition of prevailing wage.

4. Reduce the requirement under the Copeland Act for payroll reports on Davis-Bacon projects from weekly to quarterly. The costs to federal contractors in complying with these paperwork requirements has been estimated to be between \$50 and \$100 million.

5. Exclude state and local projects in which less than ¼ of the funding is provided by the federal government from Davis-Bacon wage levels. This formula was used in the Revenue Sharing program to prevent local projects from being burdened by federal wage regulations when the federal government's financial participation in the project is negligible.

6. Exempt volunteer labor from Davis-Bacon provisions. There is an exemption under the National Housing Act for volunteer labor, but not in any other program. Under current law, volunteer workers must be paid Davis-Bacon wage levels, and cannot return the money in any project in which there are any federal funds involved, such as a community redevelopment program.

7. Codify regulations requiring separate wage surveys for rural and urban areas, which prevent the disruption of local labor markets by importing dissimilar wage levels and work rules from dissimilar areas.

8. Codify regulations excluding wages paid on federal projects from prevailing wage surveys. This is consistent with the longstanding intent of the Act that prevailing wages be based on wage levels in the private sector.

9. Require annual GAO and DOL reports on the economic impact of Davis-Bacon and these reforms.

10. Technical amendments to ensure that any back pay due is paid directly to workers and to apply Davis-Bacon uniformly under the approximately 70 laws incorporating the Act by reference. •

By Mr. BOND (for himself and Mr. DODD):

S. 917. A bill to provide surveillance, research, and services aimed at prevention of birth defects; to the Committee on Labor and Human Resources.

**BIRTH DEFECTS PREVENTION ACT OF 1993**

Mr. BOND. Mr. President, I rise today to introduce with my colleague, Senator DODD, the Birth Defects Prevention Act of 1993.

Mr. President, an estimated 250,000 infants will be born this year with a birth defect. Indeed, birth defects are the leading cause of infant mortality. More children will die of birth defects in the first year of their life than by any other cause, including prematurity and low birth weight. Unfortunately, our Nation still festers in an intellectual dark age as far as birth defects go. In the United States today, we lack a national system which allows for surveillance, research, and prevention of birth defects.

Today, we are introducing the Birth Defects Prevention Act of 1993. Congressman SOLOMON ORTIZ has introduced a companion bill, H.R. 1296, in the House. This bill will give us the means to pull ourselves out of the birth defects dark ages by creating a nationwide defects surveillance system; coordinating research; and, organizing and promoting the education for preventive measures. It will provide us with a strategy to prevent more children from being born with defects and to find possible cures for those already afflicted with certain defects. Action now will save us money and lives in the future.

A situation in the State of Texas exemplifies how the lack of a defects registry delayed the response to an outbreak of birth defects and may have needlessly cost innocent lives. About 1 year ago, health professionals in Texas observed that six infants were born with anencephaly over a 6-week period. Anencephaly is a fatal birth defect characterized by an absence of brain tissue. After this information was reported to the Texas Department of Health, a subsequent study revealed that since 1989, at least 30 infants in south Texas had been born without or with very little brain tissue. But, because Texas does not have a birth defects registry or surveillance program, the severity of the program was not recognized until the incident of anencephaly was so high that they were difficult to miss.

Federal officials have expanded their efforts in an attempt to discover the cause of this tragic event. Most of the mothers of these infants lived within a 2.4-mile radius of the Rio Grande. The investigation is focusing on whether environmental factors have led to the birth defects. Other studies will further examine whether water from the Rio Grande, air pollutants, or chemical waste played a role.

Nevertheless, the tragic situation in south Texas underlines the need for a coordinated national effort in recognizing the causes of birth defects and in the development of preventive strategies against them. Without a surveillance system, it is quite possible that somewhere in America today, infants are being born with serious birth defects that could have been prevented and yet we do not even know about them or what to do about them.

The Birth Defects Prevention Act of 1993 has two main components. First, the bill would establish a National Birth Defects Surveillance and Prevention Research system. This would provide funding for States to put in place or improve existing surveillance programs. Presently, only 28 States operate some sort of a surveillance program, and the degrees of effectiveness vary State by State. A March of Dimes' State-by-State surveillance program description and summary will appear at the end of my statement; I urge my colleagues to see how their State measures up. This bill would also establish regional birth defects Centers of Excellence to focus research efforts on the causes of birth defects. Today, we do not know what causes 80 percent of the birth defects in America. Discovering what causes a birth defect is the first step, and only through a national surveillance system can we obtain the data to accomplish that goal.

Furthermore, the Centers of Excellence would also develop prevention strategies. For example, outreach efforts to inform mothers of preventive measures and the importance of obtaining adequate prenatal care. The Centers for Disease Control would serve as the clearinghouse for preventive activities and for the collection and storage of data generated from individual State monitoring programs.

Second, the bill would authorize demonstration projects for the prevention of birth defects and provide funding and technical assistance to States for the implementation of programs proven to be effective.

Birth defects are the leading cause of infant mortality in this country and I fear that present efforts to reduce the incidence of this very tragic problem are not sufficient. Birth defects cause more infant deaths in this country than any other single factor. In Missouri, birth defects account for 21 percent of total infant deaths.

There are many other factors which put an infant at higher risk. For in-

stance, inadequate prenatal care is a primary contributory cause. Nearly 75,000 babies will be born this year to mothers who receive no prenatal care. Many of these babies will be stillborn, more will die before reaching their first birthday, while others will live with long-term disabilities. Another key in the elimination of birth defects is a strong family lifestyle in which children are born without exposure to cigarette smoke or alcohol and drug use.

Today we live in an era of spiralling health care costs, an era where many cannot afford to see a doctor. In fact, the medical care and special education made necessary by birth defects costs billions of dollars each year. Not only is our children's health being jeopardized by birth defects, but the care of those with birth defects forces the consumption of a disproportionate share of our health care resources. Reducing our infant mortality rate, preventing birth defects and making sure that every pregnant woman receives adequate prenatal care should be priorities in this country. We cannot afford not to prevent birth defects. Not acting only increases the lifetime dollar costs and human suffering and pain.

Mr. President, the legislation I am introducing today has been developed through the extensive and dedicated work by the March of Dimes and in consultation with the Centers for Disease Control. I thank and commend both the organizations and their dedicated professionals and volunteers and administrator for their commitment, persistence, and hard work. This legislation is an important step toward reducing birth defects. It is an important step in improving the health of America. Let the tragedies of south Texas remind us of our obligation and need to solve America's birth defects crises. Let us hope that more tragedies are not necessary in order to push Congress into action.

Mr. President, I thank the Chair.

I ask unanimous consent to include a copy of the bill, and the March of Dimes State-by-State Birth Defects Surveillance System Report along with a summary of this measure.

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

S. 917

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

#### SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Birth Defects Prevention Act of 1993".

(b) FINDINGS.—The Congress makes the following findings:

(1) Birth defects are the leading cause of infant mortality, directly responsible for one out of every five infant deaths.

(2) Thousands of the 250,000 infants born with a birth defect annually face a lifetime of chronic disability and illness.

(3) Birth defects threaten the lives of infants of all racial and ethnic backgrounds.

However, some conditions pose excess risks for certain populations. For example, compared to all infants born in the United States, Hispanic-American infants are more likely to be born with anencephaly spina bifida and other neural tube defects and African-American infants are more likely to be born with sickle-cell anemia.

(4) Birth defects can be caused by exposure to environmental hazards, adverse health conditions during pregnancy, or genetic mutations. Prevention efforts are slowed by lack of information about the number and causes of birth defects. Outbreaks of birth defects may go undetected because surveillance and research efforts are underdeveloped and poorly coordinated.

#### SEC. 2. BIRTH DEFECTS PREVENTION AND RESEARCH PROGRAM.

Part B of title III of the Public Health Service Act (42 U.S.C. 243 et seq.) is amended by inserting after section 317A the following new section:

##### "BIRTH DEFECTS PREVENTION AND RESEARCH PROGRAMS

"SEC. 317B. (a) NATIONAL BIRTH DEFECTS SURVEILLANCE PROGRAM.—The Secretary, acting through the Director of the Centers for Disease Control, may award grants to, enter into cooperative agreements with, or provide direct technical assistance in lieu of cash to States, State health authorities, or health agencies of political subdivisions of a State for collection, analysis, and reporting of birth defects statistics from birth certificates, infant death certificates, hospital records, or other sources and to collect and disaggregate such statistics by gender and racial and ethnic group.

"(b) CENTERS FOR EXCELLENCE FOR BIRTH DEFECTS PREVENTION RESEARCH.—

"(1) IN GENERAL.—The Secretary shall establish at least five regional birth defects monitoring and research programs for the purpose of collecting and analyzing information on the number, incidence, correlates, and causes of birth defects, to include information regarding gender and different racial and ethnic groups, including Hispanics, non-Hispanic whites, African Americans, Native Americans, and Asian Americans.

"(2) AUTHORITY FOR AWARDS.—For purposes of paragraph (1), the Secretary, acting through the Director of the Centers for Disease Control, may award grants or enter into cooperative agreements with State departments of health, universities, or other private, nonprofit entities engaged in research to enable such entities to serve as Centers of Excellence for Birth Defects Prevention Research.

"(3) APPLICATION.—To be eligible for grants or cooperative agreements under paragraph (2), the entity shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may prescribe, including assurances that—

"(A) the program will collect, analyze, and report birth defects data according to guidelines prescribed by the Director of the Centers for Disease Control;

"(B) the program will coordinate States birth defects surveillance and prevention efforts within a region;

"(C) education, training, and clinical skills improvement for health professionals aimed at the prevention and control of birth defects will be included in the program activities;

"(D) development and evaluation of birth defects prevention strategies will be included in the program activities, as appropriate; and

"(E) the program funds will not be used to supplant or duplicate State efforts.

"(4) CENTERS TO FOCUS ON RACIAL AND ETHNIC DISPARITIES IN BIRTH DEFECTS.—One of the Centers of Excellence shall focus on birth defects among ethnic minorities, and shall be located in a standard metropolitan statistical area that has over a 60 percent ethnic minority population, is federally designated as a health professional shortage area, and has an incidence of one or more birth defects more than four times the national average.

"(c) CLEARINGHOUSE.—The Centers for Disease Control shall serve as the coordinating agency for birth defects prevention activities through establishment of a clearinghouse for the collection and storage of data and generated from birth defects monitoring programs developed under subsections (a) and (b). Functions of such clearinghouse shall include facilitating the coordination of research and policy development to prevent birth defects. The clearinghouse shall disaggregate data by gender and by racial and ethnic groups, the major Hispanic subgroups, non-Hispanic whites, African Americans, Native Americans, and Asian Americans.

"(d) PREVENTION STRATEGIES.—The Secretary, acting through the Director of the Centers for Disease Control, shall award grants to or enter into cooperative agreements with State departments of health, universities, or other private, or nonprofit entities to enable such entities to develop, evaluate and implement prevention strategies designed to reduce the incidence and effects of birth defects including—

"(1) demonstration projects for the prevention of birth defects, including—

"(A) at least one project aimed at enhancing prevention services in a 'high-risk area' that has a proportion of birth to minority women above the national average, is federally designated as a health professional shortage area, and has a high incidence of one or more birth defects; and

"(B) at least one outcome research project to study the effectiveness of infant interventions aimed at amelioration of birth defects; and

"(2) public information and education programs for the prevention of birth defects, including but not limited to programs aimed at prevention of alcohol and illicit drug use during pregnancy and promotion of use of folic acid vitamin supplements for women of childbearing age in a manner which is sensitive to the cultural and linguistic context of a given community.

"(e) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT OF COMMITTEE.—The Secretary shall establish an Advisory Committee for Birth Defects Prevention (in this subsection referred to as the 'Committee'). The Committee shall provide advice and recommendations on prevention and amelioration of birth defects to the Secretary and the Director of the Centers for Disease Control.

"(2) FUNCTIONS.—With respect to birth defects prevention, the Committee shall—

"(A) make recommendations regarding prevention research and intervention priorities;

"(B) study and recommend ways to prevent birth defects, with emphasis on emerging technologies;

"(C) identify annually the important areas of government and nongovernment cooperation needed to implement prevention strategies;

"(D) identify research and prevention strategies which would be successful in addressing birth defects disparities among the major Hispanic subgroups, non-Hispanic whites, African Americans, Native Americans, and Asian Americans; and

“(E) review and recommend policies and guidance related to birth defects research and prevention.

“(3) COMPOSITION.—The Committee shall be composed of 15 members appointed by the Secretary, including—

“(A) four health professionals, who are not employees of the United States, who have expertise in issues related to prevention of or care for children with birth defects;

“(B) two representatives from health professional associations;

“(C) four representatives from voluntary health agencies concerned with conditions leading to birth defects or childhood disability;

“(D) five members of the general public, of whom at least three shall be parents of children with birth defects or persons having birth defects; and

“(E) representatives of the Public Health Service agencies involved in birth defects research and prevention programs and representatives or other appropriate Federal agencies, including but not limited to the Department of Education and the Environmental Protection Agency, shall be appointed as ex officio, liaison members for purposes of informing the Committee regarding Federal agency policies and practices;

“(4) STRUCTURE.—

“(A) TERM OF OFFICE.—Appointed members of the Committee shall be appointed for a term of office of 3 years, except that of the members first appointed, 5 shall be appointed for a term of 1 year, 5 shall be appointed for a term of 2 years, and 5 shall be appointed for a term of 3 years, as determined by the Secretary.

“(B) MEETINGS.—The Committee shall meet not less than three times per year and at the call of the chair.

“(C) COMPENSATION.—Members of the Committee who are employees of the Federal Government shall serve without compensation. Members of the Committee who are not employees of the Federal Government shall be compensated at a rate not to exceed the daily equivalent of the rate in effects for grade GS-18.

“(f) REPORT.—The Secretary shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate a biennial report regarding the incidence of birth defects, the contribution of birth defects to infant mortality, the outcome of implementation of prevention strategies, and identified needs for research and policy development to include information regarding the various racial and ethnic groups, including Hispanic, non-Hispanic whites, African Americans, Native Americans, and Asian Americans.

“(g) AUTHORIZATION OF APPROPRIATIONS.—

“(1) For the purpose of carrying out subsections (a), (b), and (c), there are authorized to be appropriated \$15,000,000 for fiscal year 1994, \$20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 and 1997.

“(2) For the purpose of carrying out subsection (d), there are authorized to be appropriated \$15,000,000 for fiscal year 1994, \$20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 and 1997.

“(3) For the purpose of carrying out subsections (e) and (f), there are authorized to

be appropriated \$2,000,000 for each of the fiscal years 1994 through 1997.”

STATE BIRTH DEFECTS SURVEILLANCE SYSTEMS

More than half of states have no surveillance system.

Currently, 28 states (including the District of Columbia) have no birth defects surveillance system. While there is some type of birth defects surveillance in 23 states, they vary in type, size, and effectiveness. Those states which have no surveillance are limited not only by lack of funds, but also by lack of trained personnel.

The attached chart describes state systems, lists each as either “active” or “passive,” describes coverage (statewide or less), and notes those that are currently inactive due to lack of funds.

DEFINITIONS

“Active” birth defects surveillance systems use trained staff to seek cases in all hospitals, clinics, or other facilities by systematic review of medical records, vital records, or hospital logs, or by interviewing health professionals who may know about diagnosed cases.

“Passive” surveillance systems rely on reports submitted by staff of hospitals, clinics or other facilities, supplemented with vital statistics. While in some states staff submit reports voluntarily, in general reporting requirements are established by law or regulation.

“Active” systems find almost all of the cases of birth defects whereas “passive” systems will miss 10-30% of all cases, depending upon the number of sources.

STATE BIRTH DEFECTS SURVEILLANCE PROGRAMS, JANUARY 1993

[State birth defects surveillance systems]

State	Coverage	Description	Type
Alabama	None		None
Alaska	None	Interested in developing a system	None
Arizona	Statewide	Active surveillance of hospital medical records	Active
Arkansas	Covers only about 1/5 of births	Active surveillance of hospital medical records Plans to go statewide when funds and personnel become available.	Active
California	Selected areas of state	Active surveillance of hospital medical records Recently lost 50% of funding and may lose more.	Active
Colorado	Statewide	The Colorado Registry for Children with Special Needs collects data from physicians, hospital discharge data, vital records and special studies.	Passive
Connecticut	Statewide; inactive due to lack of funds	Passive surveillance of hospital discharge data Currently inactive because of a lack of funds.	Passive; inactive due to lack of funds
Delaware	None	Interested in developing a system	None
District of Columbia	None	Interested in developing a system	None
Florida	None	Interested in developing a system	None
Georgia	5-county metro Atlanta area	The Metropolitan Atlanta Congenital Defects Program actively seeks out data on all congenital malformations The Metropolitan Atlanta Developmental Disabilities Surveillance Program monitors the occurrence of selected developmental conditions.	Active
Hawaii	Statewide	Active surveillance of hospital medical records Currently, system is managed by the Hawaii Cancer Registry at the University Medical Center Funding is from the state and has been cut in the past two years.	Active
Idaho	None	Interested in planning a statewide system	None
Illinois	Statewide	Passive surveillance of hospital medical records	Passive
Indiana	Statewide	Passive surveillance of vital statistics records	Passive
Iowa	Statewide	Active surveillance of hospital records Financial support of the program is very insecure	Active
Kansas	Statewide	Passive surveillance, reporting required by hospital	Passive
Kentucky	None	New state law enacted in 1992, and state is developing plans for a Statewide, passive reporting system.	None
Louisiana	None		None
Maine	Statewide; inactive due to lack of funds	A system covering births in Maine to residents and non-residents, linking multiple data sources Currently, all activities are on hold because of cuts in state programs.	Passive; inactive due to lack of funds
Maryland	Statewide	Passive surveillance, hospitals report 12 birth defects	Passive
Massachusetts	Statewide	Passive surveillance, reporting by hospital Now evaluating improving system by linking data sets.	Passive
Michigan	Statewide	A passive surveillance system, mandated reporting	Passive
Minnesota	None		None
Mississippi	None	Interested in developing a system	None
Missouri	Statewide (up to 1988)	Passive surveillance, linkage of multiple data sources, including vital records and hospital records System is complete only until 1988.	Passive
Montana	None	Developing a population-based, statewide system	None
Nebraska	Statewide	Passive hospital reporting system in place since 1974	Passive
Nevada	None	Interested in developing a population-based, statewide system, but no funds available	None
New Hampshire	None		None
New Jersey	Statewide	Passive surveillance, mandated reporting by hospital	Passive
New Mexico	None		None
New York	Statewide	Passive surveillance, mandated reporting by hospital	Passive
North Carolina	Statewide	Passive surveillance, linkage of multiple data sources	Passive
North Dakota	None		None
Ohio	None	Occasionally uses vital records for special studies	None
Oklahoma	Part of state	Implementing a population-based system, first in Oklahoma City and county and eventually to be statewide Will cover 50% of births by 1994.	Active
Oregon	None	Planning process has just begun	None
Pennsylvania	None		None

## STATE BIRTH DEFECTS SURVEILLANCE PROGRAMS, JANUARY 1993—Continued

(State birth defects surveillance systems)

State	Coverage	Description	Type
Rhode Island	None		None
South Carolina	None	University is interested in developing system around Savannah River project	None
South Dakota	None	USD Medical School interested in developing system	None
Tennessee	None	Currently developing a population-based surveillance system. Funding comes from the Department of Energy.	None
Texas	None	Currently working on legislation and developing plans for a pilot system in Southwest Texas.	None
Utah	Statewide	Passive reporting by physicians of high risk infants	Passive
Vermont	None		None
Virginia	Statewide	Mandated reporting from hospitals	Passive
Washington	Statewide; inactive due to lack of funds	Active surveillance of hospital medical records. Statewide including data from institutions in contiguous states for births to Washington residents. Currently inactive due to lack of funds.	Active; inactive due to lack of funding
West Virginia	Statewide; inactive due to lack of funds	Birth Defects Registry obtains hospital discharge data on all birth defects of newborns through age 6. Currently inactive, no funds to pay staff to record data.	Passive; inactive due to lack of funds
Wisconsin	Statewide	Passive surveillance, mandated reporting by hospital. Currently evaluating ways to improve reporting.	Passive
Wyoming	Statewide	Healthy Start Tracking Program identifies all children with serious health problems, including virtually all birth defects and genetic diseases. Registry is kept on these children.	Passive

By Mr. ROTH (for himself, Mr. DURENBERGER, and Mr. GRASSLEY):

S. 918. A bill to amend the Trade Act of 1974 to provide trade adjustment assistance during the implementation and phase-in of the North American Free-Trade Agreement, and for other purposes; to the Committee on Finance.

## NAFTA WORKER ADJUSTMENT ASSISTANCE ACT

• Mr. ROTH. Mr. President, ever since launching the North American Free-Trade Agreement [NAFTA] talks there has been an enormous amount of debate on the potential impact of the agreement on U.S. jobs. Everyone agrees that NAFTA must be a net plus for the U.S. economy in terms of bolstering U.S. jobs, economic growth, and overall competitiveness. Whether one agrees or disagrees with the majority of economic analyses which find that NAFTA will be a net job creator, I think it is fair to say that everyone recognizes that some jobs will be lost as our economy adjusts to the more open North American marketplace. It is these potential lost jobs and the workers who lose them that are of great concern to me, which is why I am rising today to reintroduce the NAFTA Worker Adjustment Assistance Act.

Both the Congress and the executive branch have talked a lot about the general need for an effective and comprehensive NAFTA-related worker adjustment program, however, there has been little action so far to create one. I believe it is high time that both the Congress and the Clinton administration begin examining the specific aspects of such a program, and the legislation I am introducing today, along with my good colleagues, Senators DURENBERGER, and GRASSLEY, is designed to move us in this direction.

The NAFTA Worker Adjustment Assistance Act is built on the premise that our existing Trade Adjustment Assistance [TAA] Program should form the basis of any special program for workers who may be hurt by NAFTA. Although our current TAA Program may not be perfect, it is the most comprehensive worker adjustment program that we have in terms of the benefits it provides. Moreover, this program is

strongly supported at the State and worker level; this view was underscored at various hearings that were held during the last session of Congress. It is also important to remember that Congress has made itself very clear since first creating TAA in 1962 that special adjustment assistance programs for trade-impacted workers should go hand-in-hand with major trade liberalization action on the part of our Government. This remains just as true, if not more true, today.

The legislation I am introducing builds on TAA and will ensure that workers who lose their jobs because of freer trade with Mexico will be eligible for the full range of TAA benefits. It does this by expanding the coverage of such workers to include workers who are hurt because of United States production shifts to Mexico. Such workers, and I certainly hope that there will be very few of them if NAFTA is approved, are not currently eligible for TAA benefits. In addition, the bill provides for an expedited procedure for automatically certifying workers affected by such shifts if the companies involved fall under the requirements of the Worker Adjustment and Retraining Notification Act.

Other provisions in the bill raise the current \$80 million cap on training by 50 percent to \$120 million to provide for any needed increases in training costs. Also included are provisions to improve the general operation of the existing TAA Program. For example, greater emphasis is placed on providing early and effective reemployment services such as job search assistance. This change is based on hearings last year which emphasized the importance of these types of services in facilitating the reentry of dislocated workers into the work force. My legislation also makes sure there is much better followup of workers participating in the TAA Program in order to gauge more accurately the effectiveness of the services being provided.

Another major part of the bill focuses on how to pay for the increased costs of the program. I remain convinced that the main beneficiaries of a free-trade agreement with Mexico

should be willing to help the workers who will be hurt by it by supporting a temporary, de minimus uniform fee at the border. A small negotiated border fee would allow both sides to pay for special worker adjustment programs, and in my view, is much more preferable to other funding alternatives such as some new form of permanent payroll or other tax.

I have throughout the NAFTA negotiations urged the President and his negotiators to seek agreement with Mexico on the imposition of this type of small fee. Most recently, I wrote to President Clinton urging that this be a topic of negotiation as part of the supplemental agreements he has called for with Mexico. Such a fee should be small enough so as to not significantly impact any one individual or company involved in trading with Mexico and it also should be phased out when the NAFTA is fully implemented. The bill I am reintroducing today calls upon the new administration to seek agreement with Mexico on a worker adjustment fee in the context of the supplemental negotiations that are now underway. When Ambassador Kantor holds his next negotiation session with his counterparts in Mexico and Canada next week, I urge him to press for agreement in this area.

Mr. President, this bill is a focused bill which aims to address some of the specific worker adjustment needs under a North American Free-Trade Agreement, while making some general improvements to the broader operation of the TAA Program. It also provides for funding mechanisms, which are critically important.

I recognize there are other issues that will need to be addressed. I am also aware of the new administration's focus on overhauling our entire worker training and adjustment programs to create one comprehensive program for all dislocated workers. I do hope that the Administration will begin an active dialogue with Congress on the specific details of its worker adjustment proposals, particularly as they relate to NAFTA.

Mr. President, providing an effective NAFTA-related worker adjustment program is absolutely critical if we are to implement NAFTA. It is very important that we stop talking about it and start creating it. It is my hope that the legislation I am introducing today will help bring this about.●

● Mr. DURENBERGER. Mr. President, I support the bill introduced by Senator ROTH. The North American Free-Trade Agreement Worker Adjustment Assistance Act of 1993 will provide crucial support to those workers who are displaced from their jobs as a result of the North American Free-Trade Agreement [NAFTA].

There is no question that the NAFTA will result in a net gain of U.S. jobs, and that it is absolutely essential to the continued growth of the U.S. economy. In 1991, United States exports to Mexico of \$23.3 billion supported more than 600,000 United States jobs. On July 27, 1992, the Institute for International Economics projected that over 1 million Americans would be employed in jobs related to export trade with Mexico by 1995 as a direct result of the North American Free-Trade Agreement. In my own State of Minnesota, exports to Mexico have grown by more than 140 percent to \$217 million in sales. Mexico is currently Minnesota's seventh largest export market.

As we look at the big picture of economic growth from the NAFTA, we must realize that while some industries will increase significantly, others may have to restructure. This bill provides significant relief for those workers who may be displaced as a result of the NAFTA.

This bill would guarantee workers eligibility for training, counseling, testing, and job search and placement services under the Trade Adjustment Assistance Program [TAA] where the Secretary of Labor determines that NAFTA has contributed importantly to a shift in United States production to Mexico. Further, it raises the amount available for worker training from \$80 to \$120 million. This bill is crucial because, under current law, these workers would not be eligible for TAA assistance. Importantly, the bill also provides automatic, expedited TAA certification for those workers affected by relocations where their company comes under the requirements of the Worker Adjustment and Retraining Notification Act [WARN].

Instead of adding additional layers of bureaucracy, Senator ROTH has built upon the current TAA Program, the most comprehensive worker adjustment program in terms of benefits.

Mr. President, it is important that an effective worker adjustment program go hand in hand with a further liberalization in our trade policies with Mexico. This bill provides an effective program to help those workers who are

adversely affected by NAFTA. I commend Senator ROTH for his work on this legislation. I urge my colleagues to join me in supporting it.●

By Mr. BAUCUS (for himself, Mr. CHAFEE, Mr. GRAHAM, Mr. MOYNIHAN, Mr. MITCHELL, Mr. LIEBERMAN, Mrs. BOXER, Mr. SARBANES, Mr. PELL, Mr. KENNEDY, Mr. LEAHY, Mr. KERRY, Mr. AKAKA, and Mr. DURENBERGER):

S. 921. A bill to reauthorize and amend the Endangered Species Act for the conservation of threatened and endangered species, and for other purposes; to the Committee on Environment and Public Works.

ENDANGERED SPECIES ACT AMENDMENTS OF 1993

● Mr. BAUCUS. Mr. President, today Senator CHAFEE and I, along with others, are introducing legislation to reauthorize the Endangered Species Act.

Over the past few years, the Endangered Species Act has been controversial. Sharp disputes erupted over the spotted owl, the salmon, and many other species in the Northwest, the Rocky Mountain West, and throughout the country. As the controversy intensified, environmental groups and industry groups squared off. Positions hardened, as both sides fought to a deadlock.

Now there are refreshing signs that the deadlock is being replaced with a new search for common ground. President Clinton and Secretary Babbitt have led this effort. One example is the forest summit, which brought environmental and industry leaders together to find a solution to the problems surrounding timber harvesting in old-growth forests in the Northwest. Other examples are the cooperative agreements that have been negotiated among the Interior Department, environmental groups, and industry groups regarding the gnatcatcher in the California coastal sage scrub and the red-cockaded woodpecker in the Southeastern pine forests; in each case, the species will be protected, but according to a creative strategy negotiated with affected local interests. Yet another example is the Western Governors' Association's careful work, with stakeholders throughout the West, to find common ground and propose changes that designed to make the Endangered Species Act more understandable and workable.

We are introducing this bill today in the same spirit: to help break the deadlock and find common ground. The bill is based on two main principles. The first is that we need a strong, effective Endangered Species Act. The second is that we can improve the implementation of the act, especially by getting ahead of the curve to forestall problems before they occur, working more cooperatively with private landowners, and building a stronger partnership with States.

## II. BACKGROUND: THE NEED FOR A STRONG ENDANGERED SPECIES ACT

Let me begin by explaining why we need a strong, effective Endangered Species Act.

The Endangered Species Act was enacted in 1973, during the Golden Age of modern American environmental policy. Along with the National Environmental Policy Act, the Clean Air Act, and the Clean Water Act, it is one of the pillars of Federal environmental law. It's designed to preserve what the scientists call biodiversity. That may be an odd, funny-sounding word. But it's a terribly important concept, for three reasons.

First, biological diversity provides many aesthetic benefits that enhance the quality of our lives. This may be particularly important to those of us in the West, who are accustomed to a land rich and vast. As the Western Governors' Association recently wrote, "the variety of animal and plant life is a vital part of the western experience and nurtures all who live or visit here."

Second, biological diversity provides direct benefits as a source of medicines and, through genetic techniques, of improved resistance to pests, disease, and drought. We all are familiar with the example of the Pacific yew tree, which is a source of the cancer-fighting compound taxol. Now a Montana biologist has discovered a fungus that may provide a cheaper and more efficient source of taxol. There are many examples. In the future there will be many more. As the House report on the 1973 Endangered Species Act put it:

[w]he knows, or can say, what potential cures for cancer or other scourges, present or future, may lie locked up in the structures of plants, which may yet be undiscovered, much less analyzed? More to the point, who is prepared to risk [losing] those potential cures by eliminating those plants for all time? Sheer self-interest impels us to be cautious.

Third, and probably most important, the diversity of plant and animal populations, species, communities of species, and ecosystems provides the genetic variety that is essential to the integrity and resilience of the ecological systems on which we humans depend.

Since the start of European settlement of North America, more than 500 species and subspecies of native plants and animals have become extinct. Nearly 600 species are now listed as threatened or endangered by extinction under the Endangered Species Act. Another 4,000 species are candidates for such listing.

Extinction of species is only the most extreme and visible evidence of declining biological diversity. For each species that vanishes as a result of habitat destruction and pollution, countless populations and unique gene pools also are extinguished.

The destruction of habitat is causing extinctions to increase at an accelerat-

ing rate. Paul Opler of the Fish and Wildlife Service has estimated that during the Ice Age, three North American bird and mammal species became extinct each century. According to E.O. Wilson, the worldwide extinction rate now is about one species per hour. And Norman Meyers predicts that the Earth will lose several hundred species per day by early in the next century.

There are many who dismiss current concern about the loss of biodiversity. They point out, correctly, that over the last 500 million years there have been several periods of catastrophic, mass extinction. Some of these have resulted in the loss of more than 90 percent of the species on Earth. Yet, each time life recovers and diversity is restored. So why worry? In the long run, the Earth can take of itself. If dinosaurs had not perished in a period of mass extinction, mammals, including humans, would never have evolved and we wouldn't be here discussing this subject today.

Stephen Jay Gould points out that this argument is correct, but absolutely irrelevant. It usually takes 10 million years for life to recover from mass extinction, he says; very few species live so long, and our own prospects for surviving through such a period of recovery are not good. Gould says:

Mass extinctions do not harm planets in the long run, but they are decidedly unpleasant for organisms caught in their midst—and we are both the perpetrators and the potential victims of a current reduction in biodiversity that may eventually equal or surpass several mass extinctions of our planetary history.

Over a decade ago, E.O. Wilson said that the one truly catastrophic event of these decades is the loss of genetic and species diversity. "This," he told Congress, "is the folly our descendants are least likely to forgive us." He is right. Each of us has a heavy responsibility to this planet and to our descendants to stop this loss.

#### THE NEED TO IMPROVE THE ENDANGERED SPECIES ACT

After 20 years, the Endangered Species Act remains the best means, and still the best hope, for us to conserve our Nation's biological diversity by providing, as the act states, "a means whereby the ecosystems upon which endangered species and threatened species depend may be conserved."

Our experience demonstrates that the act is fundamentally sound. There have been very few unresolvable conflicts. Many activities have been modified to protect species while still allowing the activities to proceed. For the most part, development and resource uses have coexisted successfully with species recovery. During the past 5 years, there have been 27,000 consultations conducted under the act on activities that might have affected protected species. But only about 2 out of every 1,000 of these consultations resulted in an activity being stopped.

But there certainly are problems. The act is not perfect, and its implementation has, at times, fallen far short of perfect. For example, approximately 3,500 species are candidates for listing under the act. That kind of delay makes later recovery efforts more costly and difficult. For another example, more than a third of U.S. listed species don't have approved recovery plans, including many species whose populations are declining. We have not provided enough funds for Federal agencies or the States to effectively carry out the act's mandates; and we have not always spent the funds that we have provided as wisely as we should have.

More broadly, we have to step back and ask what we can do to encourage conservation of species and the ecosystems upon which they depend. Right now, we stall and duck and dodge until we're on the verge of a crisis. Then we list the species and pull out all the stops to try and prevent it from becoming extinct. At that point, we have limited options that frequently pit the environment against the economy.

This approach makes no sense whatsoever. We know from medicine that prevention is cheaper and more effective than treatment. The same is true here. We need to progress beyond a crisis mentality. We need to get ahead of the curve and forestall problems before they occur. Several steps will help us do so.

We need to take a broader approach that takes full account of the impact of Federal and State laws. If we increase our commitment under other laws, such as the Clean Water Act, the Nongame Act or the National Forest Management Act, we can protect species and communities of species before they decline to the point that they have to be protected under the Endangered Species Act. At that point the options are fewer and more costly.

We need to provide incentives for Federal agencies and for private businesses and landowners to take positive, cooperative approaches to the protecting species. Right now, the incentives run the wrong way. Too often it is in a Federal agency's interest to let a species be listed. That way, the agency can avoid taking responsibility for unpopular conservation measures and instead blame the Fish and Wildlife Service. And often it can attract more funding for listed species than it can for those that are never listed. That way, the agency can avoid taking responsibility for unpopular conservation measures and instead blame the Fish and Wildlife Service. And often it can attract more funding for listed species than it can for those that are never listed.

We need to spend our limited Federal, State, and private dollars more wisely by focusing on clusters or

groups of species that share a given habitat or ecosystem. Our approach to species conservation needs to be broader in its scale; landscape and habitat-based approaches should be encouraged.

And we need to improve cooperation with States, local governments, and private organizations and individuals.

State officials bear much of the responsibility for managing species listed under the Endangered Species Act. Local officials bear much of the responsibility for land use planning. The habitat or most protected species is found on State or private lands. As a result, the personnel and expertise of the State fish and wildlife agencies must be an integral part of the Nation's endangered species program.

Public-private partnerships have proven to be highly successful and cost effective in restoring wetlands under the North American Wetlands Conservation Act. The cooperative Federal-State program for endangered and threatened species under section 6 of the Endangered Species Act can and should be equally successful in recovering, monitoring, and managing listed species.

Unfortunately, for the past 12 years, the administration failed to recognize that the section 6 cooperative Federal-State program is the most cost-effective means of recovering listed species to the point at which they no longer require protection under the Endangered Species Act. In fiscal year 1980, a total of \$4.9 million was allocated for cooperative Federal-State recovery efforts. In the 13 years since that time, the number of listed species in need of recovery has more than doubled, yet the amount allocated this fiscal year for these joint efforts is only \$800,000 more than the 1980 level.

Section 6 funding isn't a matter of providing Federal assistance to help States with their endangered species program. States should be partners in establishing and implementing recovery plans, in managing listed species, and monitoring candidate species. The goal of the Endangered Species Act is recovery—to bring species back to the point at which they no longer need the act's protection. The cooperative Federal-State program called for under section 6 of the act is essential to achieving that goal.

#### PROVISIONS OF THE BILL

Mr. President, the Endangered Species Amendment Act of 1993 recognizes that the Endangered Species Act is fundamentally sound and reauthorizes it for 6 years. It also amends the act in order to achieve four major goals.

The first goal is to avoid crisis management by encouraging earlier and more comprehensive protection and recovery of species. To accomplish this, the bill emphasizes the importance of looking at groups of species dependent on the same ecosystem, rather than

single species, in making listing decisions, developing recovery plans, and conducting Federal agency consultations. It directs each Federal land-managing agency to identify measures to conserve candidate species on its lands in order to avoid the high cost of bringing species back from brink of extinction or, in some cases, to prevent a species from becoming threatened or endangered. It permits each agency to enter into agreements with the Interior Secretary to carry out those measures. It facilitates development of habitat conservation plans and private landowner agreements to protect candidate species on private and non-Federal lands. And it qualifies candidate species for protection and funding before they reach critical stages.

If we're honest about it, we must acknowledge that these important tasks will cost money. Therefore, the bill increases the Interior Department spending authorization from \$110 million in fiscal year 1994 to \$160 million in fiscal year 1999. This will result in fuller implementation of recovery plans, faster recovery, and more delistings.

The second goal is to help private landowners protect species. To accomplish this, the bill provides that private landowners who protect a candidate species on their property under a habitat conservation plan can proceed to develop their property even if the species is subsequently listed. It provides technical assistance and grants to private landowners in a cooperative program with States to encourage and help these property owners conserve species that have been listed as threatened or endangered, or that are candidates for listing. It requires Federal agencies rather than private landowners, where possible, to bear the principal responsibility for protecting and recovering species by taking actions on Federal lands. And it provides for Federal grants and interest-free loans to States, counties, and municipalities to develop habitat conservation plans for private and other non-Federal lands.

The third goal is to build a stronger partnership with the States in carrying out the Endangered Species Act's goals. In this regard, we have benefited from the hard work done, for over a year, by the Western Governors' Association, which developed a detailed set of recommendations for enhancing States' roles, particularly in the listing, delisting, and recovery processes. Accordingly, the bill gives States a stronger role by:

Requiring that the appropriate States be asked for data on listing and delisting proposals and that these State data be considered fully in the final decision;

Requiring that recovery plans be developed and implemented in cooperation with the appropriate States;

Making the States partners in the private landowner program; and

Providing interest-free loans to States to develop habitat conservation plans for State, county, and private lands.

The fourth goal is to encourage better decisions that reduce social and economic costs. To accomplish this, the bill directs the Interior Secretary to minimize social and economic consequences of recovery plans, to the extent consistent with the timely conservation of endangered and threatened species and their habitats. It encourages sound science by maintaining the policy that species' listing and delisting is based solely on the best scientific data available. At the same time, it establishes an independent, scientific peer-review process for listing and delisting decisions; peer review is triggered by a request that presents a substantial scientific basis for questioning the accuracy or sufficiency of the listing or delisting determination. It encourages coordinated decisions by linking critical habitat designations to the development of recovery plans, requiring that critical habitat designations incorporate relevant information that is gathered during the development of recovery plans; and by allowing the Interior Secretary to consolidate Federal agency requests for consultation on the effects of their actions on species—so that one coherent decision is made when different agencies are conducting activities that affect the same species.

#### CONCLUSION

Mr. President, this bill represents an attempt to break the deadlock and find common ground, by maintaining a strong Endangered Species Act but improving its operation. I am pleased that it is supported by a broad range of groups, including the Western Governors' Association, the International Association of Fish and Wildlife Agencies, and the Endangered Species Coalition, which represents 72 environmental and other groups.

Today we are beginning an important process. Through hearings and further consultation with interested Senators and organizations, we hope to refine our approach. As we do so, we should remember that this law, the Endangered Species Act, is a special part of our legacy to the next generation. E.O. Wilson puts it well in his new book, "The Diversity of Life":

Every country has three forms of wealth: material, cultural, and biological. The first two we understand well because they are the substance of our everyday lives. The essence of the biodiversity problem is that biological wealth is taken much less seriously. This is a major strategic error, one that will be increasingly regretted as time passes. Diversity is a potential source for immense untapped material wealth in the form of food, medicine, and amenities. The fauna and flora are also part of a country's heritage, the produce of millions of years of evolution centered on that time and place and hence as much a reason for national concern as the particularities of language and culture.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section description, and letters from the Western Governors' Association and the International Association of Fish and Wildlife Agencies be included in the RECORD at the conclusion of my remarks.

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

S. 921

*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 "Endangered Species Act Amendments of 1993".

#### SEC. 2. AMENDMENT OF ENDANGERED SPECIES ACT OF 1973.

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 Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

#### SEC. 3. LISTING AND DE-LISTING IMPROVEMENTS.

(a) DE-LISTING.—Section 4(a) (16 U.S.C. 1533(a)) is amended by adding the following new paragraph:

"(4) The Secretary shall by regulation promulgated in accordance with subsection (b) determine whether any species is no longer an endangered species or a threatened species because of a change in the factors identified under paragraph (1)."

(b) STATE PARTICIPATION.—Section 4(b)(1)(A) (16 U.S.C. 1533(b)(1)(A)) is amended by inserting "soliciting and fully considering scientific and commercial data concerning the status of the species from the State agency in each appropriate State, if any, and" after "and after".

(c) LISTING PRIORITIES.—Section 4(b)(1)(B) (16 U.S.C. 1533(b)(1)(B)) is amended to read as follows:

"(B) In carrying out this section, the Secretary shall give consideration to species the conservation of which is most likely to reduce the need to list other species dependent upon the same ecosystem. In addition, the Secretary shall give consideration to species which have been—

"(i) designated as requiring protection from unrestricted commerce by any foreign nation or pursuant to an international agreement; or

"(ii) identified as in danger of extinction, or likely to become so within the foreseeable future, by any State agency or by any agency of a foreign nation that is responsible for the conservation of fish or wildlife or plants."

(d) SCIENTIFIC PEER REVIEW.—Section 4(b)(5) (16 U.S.C. 1533(b)(5)) is amended—

(1) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and

(2) by inserting after subparagraph (C) the following:

"(D) in the case of a regulation to implement a determination, request views on the proposed regulation from at least three independent referees who, through publication of peer-reviewed scientific literature, have demonstrated relevant scientific expertise, if any person files within 30 days after the date of publication of general notice a written request detailing a substantial scientific basis

for questioning the sufficiency or accuracy of the available data relevant to the determination."

(e) COORDINATION OF CRITICAL HABITAT DESIGNATIONS AND RECOVERY PLANS.—Section 4(b)(6) (16 U.S.C. 1533(b)(6)) is amended by adding at the end thereof the following:

"(D) If the Secretary, under subparagraph (C), extends the one-year period, any final regulation designating critical habitat shall incorporate relevant information gathered during the development of the appropriate recovery plan under section 5."

(f) IDENTIFICATION OF DATA.—Section 4(b) (16 U.S.C. 1533(b)) is amended by adding at the end the following:

"(9) The Secretary shall identify and publish in the Federal Register with a proposed rule under paragraph (1) of subsection (a) a description of any additional scientific and commercial data that would assist in the preparation of a recovery plan under section 5 for the species to which the proposed rule relates."

#### SEC. 4. RECOVERY PLANNING IMPROVEMENTS.

(a) DEVELOPMENT AND IMPLEMENTATION OF RECOVERY PLANS.—Section 5 (16 U.S.C. 1534) is amended—

(1) by redesignating subsections (a) and (b) in order as subsections (c) and (d); and

(2) by striking "LAND ACQUISITION" and all that follows through "Sec. 5," and inserting the following:

##### "RECOVERY OF ENDANGERED SPECIES AND THREATENED SPECIES

##### "SEC. 5. (a) RECOVERY PLANS.—

##### "(1) IN GENERAL.—

"(A) The Secretary shall, in cooperation with the State agency in each appropriate State, and on the basis of the best scientific and commercial data available, develop and implement plans (hereinafter in this subsection referred to as 'recovery plans') for the timely conservation of endangered species and threatened species listed pursuant to section 4 (hereinafter in this section referred to as 'covered species') and the habitats upon which such species depend, unless the Secretary finds that such a plan will not promote the conservation of a species.

"(B) The Secretary shall, consistent with subparagraph (A), seek to minimize adverse social and economic consequences that may result from implementation of recovery plans.

"(C) The Secretary shall develop and implement a recovery plan for a species—

"(i) by not later than December 31, 1996, in the case of a species included in the list published under section 4(c) before January 1, 1996, and for which no recovery plan was developed before that date; and

"(ii) by not later than 18 months after the date on which a species is first included in a list published under section 4(c), in the case of any species that is first included in such a list on or after January 1, 1996.

"(2) PRIORITIES FOR DEVELOPING AND IMPLEMENTING RECOVERY PLANS.—The Secretary shall give priority to—

"(A) the development and implementation of integrated, multi-species recovery plans for the conservation of threatened species, endangered species, or species which the Secretary has identified as candidates for listing under section 4 that are dependent upon a common ecosystem; and

"(B) those endangered species or threatened species, without regard to taxonomic classification, that are most likely to benefit from recovery plans, particularly those species whose conservation is, or may be, in conflict with construction or other development projects or other forms of economic activity.

"(3) CONTENTS.—The Secretary shall to the maximum extent practicable incorporate in each recovery plan—

"(A) a description of such site-specific management actions as may be necessary to achieve the goal of the recovery plan for the conservation and survival of the covered species, including actions to maintain or restore ecosystems upon which the covered species are dependent;

"(B) objective, measurable criteria which, when met, would result in a determination, in accordance with the provisions of section 4, that the covered species be removed from the list;

"(C) estimates of the time required and the cost to carry out those measures needed to achieve the goal of the recovery plan and to achieve intermediate steps toward that goal;

"(D) a description of actions that will be taken to minimize adverse social or economic impacts that may result from implementation of the recovery plan;

"(E) strategies that utilize existing Federal lands, to the extent that such lands are available, to promote the conservation of the covered species.

"(F) an identification of the measures, which if taken by Federal agencies, would contribute to the conservation of the covered species;

"(G) an identification of the specific areas or circumstances, if any, in which the development and implementation of conservation plans under section 10(a)(2) would contribute to the conservation of the covered species;

"(H) an identification of the specific areas or circumstances, if any, in which entering into agreements with private landowners under section 14 would promote the conservation of the covered species; and

"(I) an identification of opportunities to cooperate with municipalities, political subdivisions of States, and other persons in actions which would contribute to the conservation of the covered species.

##### "(4) PUBLIC REVIEW AND COMMENT.—

"(A) The Secretary shall, prior to final approval of a new or revised recovery plan—

"(i) provide public notice and an opportunity for public review and comment on the plan; and

"(ii) consider all information presented during the public comment period.

"(B) Each Federal agency shall, before implementing a new or revised recovery plan, consider all information presented during the public comment period under subparagraph (A).

##### "(5) PUBLIC OUTREACH.—

"(A) The Secretary, in developing and implementing recovery plans, may procure the services of appropriate public and private agencies and institutions and other qualified persons.

"(B) Recovery teams appointed pursuant to this subsection shall not be subject to the Federal Advisory Committee Act.

"(C) The Secretary shall in cooperation with the States solicit the participation of relevant Federal agencies and appropriate persons to identify matters under paragraph (3) (E), (F), (G), (H), and (I).

"(6) REPORTS.—The Secretary shall report every two years to the Committee on Environment and Public Works of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives on the status of efforts to develop and implement recovery plans for all species listed pursuant to section 4 and on the status of all species for which such plans have been developed.

##### "(b) MONITORING.—

"(1) IN GENERAL.—The Secretary shall implement a system in cooperation with the States to monitor effectively for not less than 5 years the status of all species which have been brought to the point at which the measures provided pursuant to this Act are no longer necessary and which, in accordance with the provisions of section 4, have been removed from either of the list published under section 4(c).

"(2) PREVENTING RISKS TO RECOVERED SPECIES.—The Secretary shall make prompt use of the authority under section 4(b)(7) to prevent a significant risk to the well-being of any recovered species referred to in paragraph (1)."

##### (b) EXISTING RECOVERY PLANS.—

(1) CONTINUED EFFECT OF EXISTING PLANS.—Each recovery plan developed under the Endangered Species Act of 1973 before the date of the enactment of this Act shall continue in effect until revised by the Secretary (as that term is defined in section 3 of the Act) in accordance with the Act as amended by this Act.

(2) REVISIONS.—The Secretary (as that term is defined in section 3 of the Endangered Species Act of 1973) may revise each recovery plan developed under the Endangered Species Act of 1973 before the date of the enactment of this Act so as to conform to section 5 of that Act, as amended by this Act, giving priority to recovery plans whose revision would provide the greatest benefit to species listed under section 4 of that Act and species which the Secretary has identified as candidates for listing under section 4 of that Act.

##### (c) CONFORMING AMENDMENTS.—

(1) The table of contents in the first section is amended by striking the item relating to section 5 and inserting the following:

"Sec. 5. Recovery of endangered species and threatened species."

(2) Section 4 (16 U.S.C. 1533) is amended—

(A) by striking subsections (f) and (g);

(B) in subsection (h)(4) by striking "subsection (f) of this section" and inserting in lieu thereof "section 5";

(C) by redesignating subsection (h) as subsection (f); and

(D) by redesignating subsection (i) by striking "(i)" and inserting the following: "(g) RESPONSE TO STATE COMMENTS.—"

(3) Section 6(d) (16 U.S.C. 1535(d)) is amended by striking "Section 4(g)" and inserting in lieu thereof "Section 5(b)".

(4) Section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9(a)(1)) is amended by striking "Section 5(a)" and inserting in lieu thereof "Section 5(c)".

#### SECTION 5. IMPROVED COOPERATION WITH THE STATES.

Section 6(a) (16 U.S.C. 1535(a)) is amended by adding at the end thereof the following sentence: "In cooperating with State agencies in carrying out this Act, the Secretary shall not be subject to the Federal Advisory Committee Act."

#### SEC. 6. ACTIONS ON FEDERAL LANDS TO PREVENT LISTING OF SPECIES.

(a) POLICY OF CONGRESS.—Section 2(c)(1) (16 U.S.C. 1531(c)(1)) is amended to read as follows:

"(1) It is further declared to be the policy of Congress that all Federal departments and agencies shall conserve endangered species, threatened species, species which have been proposed for listing, and species which the Secretary has identified as candidates for listing under section 4 and shall utilize their authorities in furtherance of this policy and the purposes of this Act."

(b) FEDERAL AGENCY AGREEMENTS FOR THE CONSERVATION OF CANDIDATE SPECIES.—Section 7(a)(1) (16 U.S.C. 1536(a)(1)) is amended by inserting "(A)" after "(1)" and by adding the following new subparagraph:

"(B) The head of each Federal agency responsible for the management of lands and waters—

"(i) shall, by not later than December 31, 1994, prepare and provide to the Secretary an inventory of endangered species, threatened species, species which have been proposed for listing, and species which the Secretary has identified as candidates for listing under section 4, which are located on lands and waters within the jurisdiction of the agency;

"(ii) shall, by not later than December 31, 1995, identify measures to be taken on lands and waters within the jurisdiction of the agency to conserve species which the Secretary has identified as candidates for listing under section 4; and

"(iii) may enter into agreements with the Secretary to further the conservation of any species which the Secretary has identified as candidates for listing under section 4."

#### SEC. 7. CONSULTATION ON FEDERAL ACTIONS ABROAD.

Section 7(a) (16 U.S.C. 1536(a)) is amended by adding at the end the following new paragraph:

"(5) Except as provided in subsection 7(j), the provisions of this section are applicable to all Federal agencies and agency actions, including extraterritorial actions and actions with extraterritorial effects."

#### SEC. 8. IMPROVED FEDERAL AGENCY COORDINATION.

Section 7(a) (16 U.S.C. 1536(a)) is amended by adding at the end thereof the following:

#### "(6) CONSOLIDATION OF CONSULTATIONS AND CONFERENCES.—

"(A) Consultations and conferences under this section between the Secretary and a Federal agency may, if approved by the Secretary, encompass a number of related or similar agency actions to be undertaken within a particular geographic area or ecosystem.

"(B) The Secretary may consolidate requests for consultations or conferences from various Federal agencies whose proposed actions may affect endangered species, threatened species, or species which have been proposed for listing under section 4, that are dependent upon the same ecosystem."

#### SEC. 9. INCENTIVES FOR CONSERVATION OF CANDIDATE AND OTHER SPECIES ON STATE AND PRIVATE LANDS.

(a) CONSERVATION PLANNING.—Section 13 (87 Stat. 901; relating to conforming amendments) is amended to read as follows:

##### "CONSERVATION PLANNING

#### "Sec. 13. (a) CONSERVATION PLANNING FOR CANDIDATE SPECIES.—

##### "(1) DEVELOPMENT OF PLANS.—

"(A) Any state, county, municipality, political subdivision of a State, or other person, may develop a plan for the conservation of any species which has been proposed for listing or identified by the Secretary as a candidate for listing under section 4.

"(B) A plan prepared under subparagraph (A) shall cover an area that, alone or when considered in association with nearby lands dedicated to conservation, is sufficiently large in size to encompass adequate suitable habitat within which the covered species can be maintained over the long-term.

"(2) PERMIT ISSUANCE.—If a plan developed pursuant to paragraph (1) specifies the information required under section 10(a)(2)(A), and if, after opportunity for public comment thereon, the Secretary makes the findings

required under section 10(a)(2)(B) the Secretary shall, upon receipt of such assurances as the Secretary may require that the plan will be implemented, issue a permit which shall be treated, upon the listing under section 4 of any species for which the plan was developed, as a permit issued pursuant to section 10(a)(1)(B).

"(3) REVIEW UPON LISTING.—Upon the listing under section 4 of a species for which a permit is issued under paragraph (2), the Secretary shall—

"(A) review the terms and implementation of each permit issued under paragraph (3) for that species;

"(B) determine whether each of those permittees has complied with the terms of their permit; and

"(C) suspend the permit of any of those permittees that is determined under subparagraph (B) to have not complied with their permit.

#### "(b) FEDERAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS FOR DEVELOPMENT OF PLANS.—

"(1) ESTABLISHMENT OF HABITAT CONSERVATION PLANNING FUND.—The Secretary shall establish a Habitat Conservation Planning Fund (hereinafter referred to in this subsection as 'Fund') which shall—

"(A) consist of all sums appropriated pursuant to section 15(d), and

"(B) be administered by the Secretary as a revolving fund.

"(2) AUTHORITY TO MAKE GRANTS OR ADVANCES FROM THE FUND.—The Secretary is authorized to make a grant or interest-free advance from the Fund to any State, county, municipality, or political subdivision of any State to assist in the development of a plan under this section or section 10(a)(2). A grant or advance under this paragraph may not exceed the total financial contribution of the other parties participating in development of the plan.

"(3) CRITERIA FOR GRANTS AND ADVANCES FROM THE FUND.—In making grants or advances from the fund, the Secretary shall consider the number of species for which the plan is to be developed, the commitment to participate in the planning from a diversity of interests (including local governmental, business, environmental, and landowner interests), the likelihood of success of the planning effort, and other factors as the Secretary deems appropriate.

#### "(4) REPAYMENT OF ADVANCES FROM THE FUND.—

"(A) Except as provided in subparagraph (B), sums advanced from the Fund shall be repaid within 10 years after the date of the advance.

"(B) Sums advanced under this subsection for development of a plan shall be repaid within 4 years after the date of the advance if—

"(i) no plan is developed within 3 years after the date of the advance; or

"(ii) in the case of an advance for the development of a plan under section 10(a)(2), no permit is issued under section 10(a)(1)(B) based on the plan within three years after the date of the advance.

"(C) Sums received by the United States as repayment of advances from the Fund shall be credited to the Fund and available for further advances in accordance with this subsection without further appropriation."

"(b) CONFORMING AMENDMENT.—The table of contents in the first section is amended by striking the item relating to section 13 and inserting the following:

"Sec. 13. Conservation planning."

"(c) MITIGATION.—Section 10(a)(2)(A)(ii) (16 U.S.C. 1539(a)(2)(A)(ii)) is amended to read as follows:

"(ii) what measures, such as conservation easements, land acquisition, regulatory controls, exotic species controls, and active habitat management, the applicant will take to minimize and mitigate those impacts and the funding that will be available to implement those measures;"

#### SEC. 10. FEDERAL ASSISTANCE TO HELP PRIVATE LANDOWNERS CONSERVE SPECIES.

(a) INCENTIVES FOR PRIVATE LANDOWNERS.—Section 14 (87 Stat. 903; relating to a repeal) is amended to read as follows:

"INCENTIVES FOR PRIVATE LANDOWNERS TO ASSIST RECOVERY OF ENDANGERED SPECIES, THREATENED SPECIES, AND CANDIDATE SPECIES

"SEC. 14. (a) ASSISTANCE AGREEMENTS.—The Secretary may, in cooperation with the State agency in each appropriate State and subject to the availability of appropriations under section 15(e), enter into an agreement with any person who is a private landowner, under which—

"(1) the person agrees to carry out on land they own activities that the Secretary determines will promote—

"(A) the conservation of an endangered species or a threatened species pursuant to a recovery plan; or

"(B) the conservation of a species which the Secretary has identified to be a candidate for listing under section 4;

"(2) the Secretary agrees to pay to the person such amount as may be agreed by the person and the Secretary.

"(b) PROHIBITION ON ASSISTANCE FOR CERTAIN REQUIRED ACTIVITIES.—The Secretary may not pay any amount as assistance under this section for any action that is—

"(1) required under a permit issued pursuant to subparagraph 10(a)(2)(B);

"(2) a condition of any other permit issued under this Act; or

"(3) otherwise required under this Act or any other Federal law.

"(c) ENSURING IMPLEMENTATION OF AGREEMENTS.—The Secretary shall be responsible for ensuring that the terms of the agreements entered into under this section are carried out.

"(d) TECHNICAL ASSISTANCE.—The Secretary may provide, to a person who enters into an agreement under this section, technical assistance in the implementation of the activities under subsection (a)(1)."

"(b) CONFORMING AMENDMENT.—The table of contents in the first section is amended by striking the item relating to section 14 and inserting the following:

"Sec. 14. Incentives for private landowners to assist recovery of endangered species, threatened species, and candidate species."

"(c) REPORT ON INCENTIVES FOR CONSERVATION OF SPECIES.—Within 12 months after the date of enactment of this Act, the Secretary, in consultation with the Secretary of the Treasury, shall submit to the Senate Committee on Environment and Public Works and the House Committee on Merchant Marine and Fisheries a report containing—

"(1) a compilation and analysis of existing and potential Federal expenditures, financial assistance, and tax provisions which have the effect of encouraging private landowner conservation of the habitat of endangered species, threatened species, or species which the Secretary has identified to be a candidate for listing under section 4;

(2) a compilation and analysis of existing and potential Federal expenditures, financial

assistance, and tax provisions which have the effect of discouraging private landowner conservation of the habitat of endangered species, threatened species, or species which the Secretary has identified to be a candidate for listing under section 4;

(3) a compilation and analysis of Federal statutory and regulatory mechanisms, including expenditures and financial assistance, which have the effect of discouraging the conservation of endangered species, threatened species, or species which the Secretary has identified to be a candidate for listing under section 4 of the Endangered Species Act; and

(4) recommendations based on the compilations and analyses under paragraphs (1), (2) and (3) which would promote conservation of endangered species, threatened species, or species which the Secretary has identified to be a candidate for listing under section 4.

#### SEC. 11. IMPROVING INTERNATIONAL CONSERVATION OF SPECIES.

"(a) WESTERN HEMISPHERE CONVENTION.—Section 8A(e) (16 U.S.C. 1537A(e)) is amended—

(1) in paragraph (2) by redesignating subparagraphs (A), (B), and (C) in order as subparagraphs (C), (D), and (E); and

(2) by inserting before paragraph (2)(C), as so redesignated, the following:

"(A) placement of permanent United States liaisons in contracting party nations or in regions representing several contracting party nations, including Mexico, Central America, northern South America, Brazil, southern South America, and the Caribbean;

"(B) cooperation with contracting parties and appropriate international organizations for the purposes of—

"(1) convening a conference of the parties and appropriate technical meetings on cooperative bilateral and multilateral actions to implement the Western Convention, and

"(ii) establishing and supporting a Permanent Office of Western Convention;"

(3) in paragraph (2)(D), as so redesignated, by striking "and" after the semicolon;

(4) in paragraph (2)(E), as so redesignated, by striking the period and inserting "; and";

(5) by adding at the end of paragraph (2) the following:

"(F) implementation of cooperative measures to conserve sensitive and threatened habitats and ecosystems;" and

(6) in paragraph (3) by striking "1985," and inserting in lieu thereof "1995, and every 3 years thereafter;"

(b) REGULATIONS TO IMPLEMENT CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA.—Section 11(f) (16 U.S.C. 1540(f)) is amended in the first sentence by striking "enforce this Act," and inserting "enforce this Act and to carry out the Convention and resolutions adopted under the Convention by the parties to the Convention,"

#### SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

Section 15 (16 U.S.C. 1542) is amended to read as follows:

##### "AUTHORIZATION OF APPROPRIATIONS

"SEC. 15. (a) IN GENERAL.—In addition to amounts authorized under section 6(i) and subsections (b), (c), (d), and (e) of this section, there are authorized to be appropriated—

"(1) to the Secretary of the Interior for carrying out functions of the Secretary of the Interior under this Act \$110,000,000 for fiscal year 1994, \$120,000,000 for fiscal year 1995, \$130,000,000 for fiscal year 1996, \$140,000,000 for fiscal year 1997, \$150,000,000 for fiscal year 1998, and \$160,000,000 for fiscal year 1999;

"(2) to the Secretary of Commerce for carrying out functions of the Secretary of Commerce under this Act \$15,000,000 for fiscal year 1994, \$20,000,000 for fiscal year 1995, \$25,000,000 for fiscal year 1996, \$30,000,000 for fiscal year 1997, \$35,000,000 for fiscal year 1998, and \$40,000,000 for fiscal year 1999; and

"(3) to the Secretary of Agriculture for carrying out functions of the Secretary of Agriculture under this Act \$4,000,000 for each of fiscal years 1994 through 1999.

"(b) EXEMPTIONS FROM ACT.—There are authorized to be appropriated to the Secretary of the Interior for carrying out functions of the Secretary of the Interior and the Endangered Species Committee under section 7(e), (g), and (h) \$625,000 for each of fiscal years 1994 through 1999.

"(c) CONVENTION IMPLEMENTATION.—There are authorized to be appropriated to the Secretary of the Interior for carrying out section 8A(e) \$1,000,000 for each of fiscal years 1994 through 1999; such sums shall remain available until expended.

"(d) HABITAT CONSERVATION PLANNING FUND.—To assist in the development of plans under sections 10(a)(2) and 13, there are authorized to be appropriated to the Secretary of the Interior \$20,000,000, which shall be deposited into the Habitat Conservation Planning Fund established under section 13(b) and which shall remain available until expended.

"(e) PRIVATE ASSISTANCE.—There are authorized to be appropriated to the Secretary of the Interior for carrying out section 14 \$25,000,000 for each of fiscal years 1994 through 1999.

"(f) AVAILABILITY.—Amounts appropriated under the authority of this section shall remain available until expended."

#### ENDANGERED SPECIES ACT REAUTHORIZATION BILL

1. The bill reauthorizes the Endangered Species Act and recognizes that the Act is fundamentally sound. The amendments proposed are those that will help conserve species and reduce conflicts by making the Act more workable and understandable.

##### LISTING-DELISTING

2. Listing and de-listing of species continue to be based solely on the best scientific data available.

3. The bill emphasizes the importance of listing those species whose conservation is most likely to reduce the need to list other species (sec. 3(c)). This requirement will also help reduce conflicts by making one decision for a given area as much as possible.

4. The bill establishes an independent, scientific peer review process with respect to listing and de-listing decisions. The peer review is triggered by a request that presents a substantial scientific basis for questioning the accuracy or sufficiency of the listing or de-listing determination. (sec. 3(d)).

5. The bill requires identification of data needs upon listing to assist in preparation of recovery plan (sec. 3(f)).

6. The bill requires that the appropriate States be asked for any data on listing and de-listing proposals and that these State data be considered fully in the final decision (sec. 3(b)).

7. The bill emphasizes that de-listing is an important part of the Endangered Species Act process by putting de-listing requirements on an equal footing with the Act's current requirements for listing (sec. 3(a)).

##### RECOVERY

8. The bill requires that the process of designating critical habitat be coordinated with the recovery planning process.

9. The bill requires that recovery plans be developed and implemented in cooperation with the appropriate States (sec. 4(a)).

10. The bill requires that recovery plans be based on the best available scientific information and that they provide for the timely conservation of threatened and endangered species and the habitats upon which these species depend (sec. 4(a)).

11. The bill sets deadlines for the completion of recovery plans (sec. 4(a)).

12. The bill requires that priority be given to developing multi-species recovery plans for candidate species and listed species dependent on a common ecosystem (sec. 4(a)).

13. The bill requires that the Secretary of the Interior seek to minimize social and economic consequences that may result from implementation of recovery plans, to the extent consistent with the timely conservation of endangered and threatened species and their habitat (sec. 4(a)). Measures to minimize social and economic impacts also would have to be included in the contents of recovery plans.

##### ACTIONS ON FEDERAL LANDS TO PREVENT LISTING OF SPECIES

14. The bill requires that each Federal land management agency identify measures on the lands of that agency to conserve candidate species, and authorizes each agency to enter into agreements with the Secretary of the Interior to carry out those measures.

##### HABITAT CONSERVATION PLANNING

15. The bill provides financial assistance to States, counties, and municipalities for development of Habitat Conservation Plans that allow development of private property that might otherwise violate the Act (sec. 9(b)).

16. The bill allows issuance of a permit for candidate and proposed species which—if it complies with the habitat conservation planning requirements under section 10 of the Act—would be treated as a section 10 permit if the species are subsequently listed (sec. 9(a)).

##### PRIVATE INCENTIVES—SMALL LANDOWNERS

17. The bill establishes an incentives program, in cooperation with the States, for private landowners to carry out activities to assist in the recovery of listed species by providing federal technical assistance and financial support for such activities (sec. 10).

##### INTERNATIONAL PROTECTION

18. The bill clarifies that the duty of federal agencies to avoid jeopardizing the existence of species applies to federal actions in a foreign country (sec. 11).

19. The bill makes improvements in implementation of the Western Hemisphere Convention and Convention on International Trade in Endangered Species (sec. 11).

##### FUNDING

20. The bill would authorize substantially more funding to adequately implement the Act (sec. 12).

##### WESTERN GOVERNORS' ASSOCIATION.

*Denver, CO, May 6, 1993.*

Hon. MAX BAUCUS, Chairman,  
Hon. JOHN H. CHAFEE, Ranking Member,  
*Committee on Environment and Public Works,  
Senate Office Building, Washington, DC.*

DEAR MR. CHAIRMAN AND SENATOR CHAFEE: As Chairman of the Western Governors' Association and lead governors on the issue of reauthorization of the Endangered Species Act, we support your introduction of legislation that strengthens the ESA by making it more understandable and workable. We especially commend and appreciate your efforts

to reaffirm the role of the states as true partners with the federal government in implementing the Act, which we believe was the original intent of Congress.

The WGA's recommendations on reauthorization of the ESA grew out of the heat of nearly a year's debate. During that time the Association reached out to the major stakeholders in the debate and obtained their perspectives, best arguments and solutions. We worked closely with both the International Association of Fish and Wildlife Agencies (representing all 50 state agencies) and the Western Association of Fish and Wildlife Agencies.

We appreciate that your staffs sought out and consulted our staffs throughout your drafting process. Communication clearly occurred since your legislation addresses many of our concerns and policy recommendations.

Chief among the Western Governor's recommendations was that new legislation reaffirm the roles and responsibilities of the states in listing, de-listing and recovery of threatened and endangered species. Your legislation does that. We want to work with you as our Association attempts to identify means to further strengthen these provisions.

We support the incentives the bill provides states, local governments and private landowners to enhance the conservation of threatened and endangered species and its exemption of the states from the Federal Advisory Committee Act.

We are pleased that the legislation reaffirms that the question of whether a species is threatened or endangered must be a scientific decision. We are supportive of the bill's addition of peer review, whenever its need is sustained, to assure that the decision is scientifically sound and objective. We suggest that there is a continuing role for state agencies to play in this process also.

We also commend you for developing legislation which helps the ESA meet its objectives by giving priority to species whose conservation is most likely to reduce the need to list other species and by giving priority to the development of recovery plans, where biologically accurate and practical, for clusters and related groups of species that are dependent upon a common ecosystem. The bill also furthers the goals of the Act by allowing species awaiting a listing decision to qualify for funding and protection and by requiring the designation of critical habitat and the development of recovery plans to occur concurrently.

Our Resolution also expressed concern that the de-listing and down-listing of species was proceeding at a glacial pace under the ESA even though some currently listed species are biologically recovered. We are pleased that the bill makes the Secretary equally responsible to de-list recovered species. In an equally positive fashion, the legislation builds on the current requirement that economics be considered in designating critical habitat and in adopting recovery plans, by stipulating that the Secretary must seek to minimize social and economic impacts of recovery plans. We would appreciate a reaffirmation of the distinction the Act provides for the management of endangered versus threatened species.

In order to facilitate ways to cooperatively protect habitats as a means to prevent listing of individual species, we suggest that projects, such as the Great Plains Initiative, a joint effort of WGA, the U.S. Fish and Wildlife Service, the Environmental Protection Agency, and a broad spectrum of non-governmental organizations, be looked at as

potential pilots to study their effectiveness in meeting the objectives of proactive management.

We believe the Endangered Species Act Amendments of 1993 is an excellent starting point for the hearings the committee is about to undertake and we look forward to working with you and your committee in exploring further ways to enhance the role of states and strengthen the Act.

Sincerely,

FIFE SYMINGTON,  
Chairman.  
CECIL ANDRUS,  
Lead Governor.  
MARC RACICOT,  
Lead Governor.

INTERNATIONAL ASSOCIATION OF  
FISH AND WILDLIFE AGENCIES,  
Washington, DC, May 6, 1993.

Hon. MAX BAUCUS, Chairman,  
Hon. JOHN CHAFFEE, Ranking Member,  
Environment and Public Works Committee,  
U.S. Senate, Washington DC.

DEAR SENATOR BAUCUS AND SENATOR CHAFFEE: The Association commends your introduction of Endangered Species Act reauthorizing legislation which makes substantial improvements in the law without reducing its strength. These provisions reaffirm the role of the State fish and wildlife agencies in the conservation of threatened and endangered species and their habitats; improves the Act's administration and workability; and provides incentives to more appropriately and actively involve private landowners in meeting the Act's conservation objectives. The Association supports the existing Act and its objectives, but recognizes and supports improvements in its administration which make it both more effective and workable.

The role of the State fish and wildlife agencies is vital to meeting the objectives of the Act. As you are aware, it was the intent of Congress that the objectives of the Act be met through the full cooperation of the States with the USFWS and NMFS. Your bill reaffirms that cooperation in all aspects of the Act and its processes, and ensures that the Federal Advisory Committee Act is not an impediment to this government to government cooperation. The State fish and wildlife agency involvement adds, in our opinion, scientific information and supports the science involved in and the processes established under the Act. This will increase the success of the Act in meeting its objectives.

We appreciate and support the provision in the bill which gives greater emphasis to preventive management. Opportunities to apply the Habitat Conservation Planning process to candidate species; and the focus on recovery actions for species occupying the same habitat should facilitate conservation actions to recover species and habitats before the need to list is required.

The Association enthusiastically supports equalizing the de-listing responsibility of the Secretary with the listing responsibility, and also the attention directed to designing and implementing species recovery programs. The manifestation of the Act's success is in recovering and de-listing species, not adding more species to the list. Recovery needs to be advanced at a much greater rate than it has proceeded.

We fully support the initiatives to provide for greater involvement of the private landowner in meeting the conservation objectives of the Act. We cannot meet the objectives of fish, wildlife and habitat conserva-

tion without involving the private landowner, and your bill is a good step in that direction. We encourage you to continue to look at other initiatives (such as tax incentives) to further this goal.

Finally, we appreciate the recognition of the need for additional funding to meet the objectives of the Act. We must simply dedicate more money to natural resources conservation in the United States if we are to ensure that our future generations are also able to enjoy the magnificent natural treasures of this nation.

The Association applauds your efforts which culminated in the introduction of this bill, and look forward to continuing to work with you and your staff to successfully enact this legislative proposal.

Sincerely,

R. MAX PETERSON,  
Executive Vice President.●

● Mr. CHAFFEE. Mr. President, 20 years ago, Congress acted to stem the loss of living species and protect our natural heritage. This landmark legislation, the Endangered Species Act, had a seemingly simple purpose: to conserve endangered and threatened species and the ecosystems upon which they depend. The act recognizes a fundamental truth that the faster humans extinguish other forms of life the more we imperil ourselves.

The Endangered Species Act has proven to be one of our most effective conservation tools and a model for similar laws that have been adopted around the world. Species, including our Nation's symbol—the bald eagle—as well as the peregrine falcon, the whooping crane, the brown pelican, and the American alligator, among others, have made dramatic comebacks due to the protections afforded by the act.

Today, Senator BAUCUS and I are introducing a bill to reauthorize and improve the Endangered Species Act. We worked cooperatively with Chairman Studds of the House Merchant Marine and Fisheries Committee who is introducing similar legislation in the House.

The aim of the bill is to avoid crisis management by encouraging earlier and more comprehensive protection and recovery of species. It builds upon the strengths of the existing act to place new emphasis on the conservation of ecosystems rather than individual species. It encourages that listing, recovery planning, and habitat conservation planning all be done, where possible, for groups of species that are dependent upon the same habitat or ecosystem. This multispecies approach will enable us to conserve more species at a lesser cost than the current species-by-species method.

The lesson of the last 20 years has been that the longer we wait to protect species, the more difficult and costly it is. Therefore, the bill encourages Federal agencies to identify and take steps to protect declining species and groups of species that depend upon a common ecosystem before they are listed.

The bill emphasizes the importance of recovering species to the point that

they no longer need the protections of the act and can be delisted. In part, the bill improves the recovery planning process by setting deadlines for the completion of recovery plans and requiring that the plans contain a detailed blueprint of the specific steps that need to be taken to achieve recovery.

Under the bill, recovery plans must also include measures to minimize the social and economic impacts of achieving recovery without compromising the fundamental goals of the act. This provision responds to concerns that the act does not adequately consider the costs of protecting species.

The bill encourages private landowners to conserve endangered species by setting up an incentives program which authorizes Federal assistance for private property owners to conserve species on their land. It also allows private landowners to obtain a conservation planning permit for species that are candidates for listing, before the species is listed. These provisions reward private landowners who take early action to conserve declining species.

The bill also directs the Secretary of the Interior, in consultation with the Secretary of the Treasury, to analyze Federal tax provisions and other Government programs which serve as incentives or disincentives to private landowners to conserve habitat for listed or candidate species. The report would include recommendations on how these policies could be changed to promote species conservation.

States play a crucial role in the conservation of fish and wildlife and the bill provides for a stronger partnership between the Federal Government and the States in conservation efforts. First, it provides a greater role for States in the listing, delisting, and recovery process. Second, it provides interest-free loans to States to develop habitat conservation plans. These plans provide for the conservation of species while allowing for development activities to occur.

Under the bill both listing and delisting decisions will continue to be based on the best scientific data available. The bill improves the scientific review of these decisions by establishing a scientific peer-review process to examine listing and delisting proposals for which the scientific basis is under dispute.

Why is it important that we preserve the widest possible variety of living species? Consider the benefits that humans derive from natural diversity. More than half of all medicines today can be traced to wild organisms. Biological resources are important to the development of hybrid crops for farming as well as to other economic activities including fishing, hunting, and tourism. Each species that becomes extinct means knowledge forfeited and

opportunities to improve our way of life lost. The presence of one or more endangered species in an area may indicate that an entire ecosystem—consisting of hundreds or possibly thousands of species—is in decline.

The introduction of this bill is only a starting point for the reauthorization process and other changes to the act will be considered during the hearing process. This bill demonstrates that we can continue our commitment to conserve endangered species in a manner that is more efficient and less costly for private landowners and local communities, and I urge my colleagues to cosponsor this legislation.●

By Ms. MOSELEY-BRAUN:

S. 922, a bill to provide that a State court may not modify an order of another State court requiring the payment of child support unless the recipient of child support payments resides in the States in which the modification is sought or consents to the seeking of the modification in that court; to the Committee on the Judiciary.

FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS ACT

Ms. MOSELEY-BRAUN. Mr. President, I am proud to introduce legislation that addresses the problem of interstate enforcement of child support orders.

One of the biggest problems facing the women and children of this country is the problem of inadequate child support, and a large and rapidly growing number of child support cases involve disputes between parents who reside in different States.

When a custodial parent obtains a court order requiring his or her former spouse to pay child support, the parent naturally assumes that the order will be enforced in every court in the land. After all, the order was issued following a full adversarial proceeding in which all parties appeared and were given the opportunity to present their claims.

Unfortunately, under current law, States are not required to give full faith and credit to child support orders issued by another State. Child support orders are exempt from the full faith and credit clause of the Constitution because they involve an ongoing obligation.

While this may seem like a minor distinction, many custodial parents are quickly learning that it is not. When the noncustodial parent subsequently moves to another State, he or she may petition the courts in the new State to change the amount of child support he or she is required to pay. Because child support orders are not entitled to full faith and credit, the courts of the other State can, and frequently do, reduce the amount of support payable under the original court order.

Even more disturbing is the fact that all of this can be accomplished without

the custodial parent ever receiving notice of the action which will so greatly affect him or her.

When a modification of support occurs, the custodial parent is left with only two choices. He or she—and since the mother retains custody in the majority of cases, it usually is a she—can choose to accept the ruling, and do without the full amount of child support, often at great hardship to the children. Or, she can challenge the ruling in the out-of-State court. Assuming she learns of the modification in time to appeal, this requires paying money for court costs, attorney's fees, and travel to the new State, all without any guarantee of success. Obviously, neither of these solutions is adequate.

Two examples from my home State of Illinois illustrate the human face of this problem. Jackie York, of Mt. Carroll, IL, was owed more than \$3,000 in unpaid child support, which was accruing at the rate of \$70 per week. When her former husband moved to Wisconsin, he petitioned the Wisconsin courts to modify his support order. As a result, his past due child support was reduced from more than \$3,000 to zero, and his weekly child support payments were lowered from \$70 per week to \$20 per week. You can imagine the hardship that wife occasioned by that decision, of which she found out too late.

Rose Reynders of Orland Park, IL, has a former spouse who is \$29,000 in arrears on child support payments to his two sons. Ms. Reynders recently went to court in Florida, where her former husband now resides. However, the Florida court refused to recognize the Illinois arrearage. Ms. Reynders has been informed by the Florida child support agency that it will be months before the case can go back to court to settle that amount of arrearage owed. In the meantime, Rose Reynders' sons are forced to do without the support that is legally owed to them. And again there is a real hardship occasioned by this technicality in the case.

The real losers in these cases are, of course, the children. I find it simply outrageous, Mr. President, that every day in courthouses around this country, our Nation's children are being cheated out of thousands of dollars that is rightfully owed to them. Even more outrageous is the fact that often the custodial parent is given no notice that this reduction is taking place.

I believe that it is patently unfair to allow a noncustodial parent to unilaterally reduce his or her child support obligations simply because he or she resides in a different State than the custodial parent. The legislation I introduce today is designed to remedy this problem.

The Full Faith and Credit for Child Support Order Act will require each State to enforce the child support orders of every other State, without modification, so long as the original

State retains jurisdiction. Under the bill, the original State retains jurisdiction as long as it is the State of residence of the child or any other party.

If a noncustodial parent wishes to file for a reduction in child support payments, than he or she must do so in the State that originally issued the order. This will insure that the custodial parent is given notice of the proposed modification, as well as an opportunity to oppose the modification if he or she wishes.

This bill is similar to legislation passed by Congress in 1980 to address the problems caused by the lack of uniform enforcement of child custody orders. The Parental Kidnapping Prevention Act of 1980 required States to give full faith and credit to child custody decisions. This proposal does exactly the same thing for support orders.

It is important that the Senate swiftly enact this legislation because it affects the welfare of our most innocent, and helpless citizens, our children. The cost of raising a child is not reduced merely because a judge in another State sees fit to unilaterally lower a parent's support obligations. The children still have to be fed, clothing still has to be bought, shelter still must be provided. The custodial parent must make up the difference. For some parents, this means working two or even three jobs to compensate for the lost child support. Other parents are forced into poverty and must accept public assistance to provide for their children. In every case, it is the children who suffer.

In addition to benefiting the individual families, this legislation benefits us all. It is very likely that when a noncustodial parent fails to pay his or her fair share of support, the burden to support that child will fall on the Government. To the degree that child support orders are enforceable in every State, the taxpayers are relieved of the obligation of supporting the children through AFDC, food stamps, or other welfare programs. Proper enforcement of child support programs will insure that the burden to support a child is placed where it belongs, with the noncustodial parent, and not on the taxpayers of the United States.

The need of children for stable, reliable, and adequate child support payments does not change merely because one of their parents moves to a different State. This legislation will help ensure the economic security of thousands of children by addressing this injustice.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 922

*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 "Full Faith and Credit for Child Support Orders Act".

#### SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) there is a large and growing number of child support cases annually involving disputes between parents who reside in different States;

(2) the laws by which the courts of different jurisdictions determine their authority to establish child support orders are not uniform;

(3) those laws, along with the limits imposed by the Federal system on the authority of each State to take certain actions outside its own boundaries—

(A) encourage noncustodial parents to relocate outside the States where their children and the custodial parents reside to avoid the jurisdiction of the courts of such States, resulting in an increase in the amount of interstate travel and communication required to establish and collect on child support orders and a burden on custodial parents that is expensive, time consuming, and disruptive of occupations and commercial activity;

(B) contribute to the pressing problem of relatively low levels of child support payments in interstate cases and to inequities in child support payments levels that are based solely on the noncustodial parent's choice of residence;

(C) encourage a disregard of court orders resulting in massive arrearages nationwide;

(D) allow noncustodial parents to avoid the payment of regularly scheduled child support payments for extensive periods of time, resulting in substantial hardship for the children for whom support is due and for their custodians; and

(E) lead to the excessive relitigation of cases and to the establishment of conflicting orders by the courts of various jurisdictions, resulting in confusion, waste of judicial resources, disrespect for the courts, and a diminution of public confidence in the rule of law; and

(4) among the results of the conditions described in this subsection are—

(A) the failure of the courts of the States to give full faith and credit to the judicial proceedings of the other States;

(B) the deprivation of rights of liberty and property without due process of law;

(C) burdens on commerce among the States; and

(D) harm to the welfare of children and their parents and other custodians.

(b) STATEMENT OF POLICY.—In view of the findings made in subsection (a), it is necessary to establish national standards under which the courts of the various States shall determine their jurisdiction to issue a child support order and the effect to be given by each State to child support orders issued by the courts of other States.

(c) PURPOSES.—The purposes of this Act are—

(1) to facilitate the enforcement of child support orders among the States;

(2) to discourage continuing interstate controversies over child support in the interest of greater financial stability and secure family relationships for the child; and

(3) to avoid jurisdictional competition and conflict among State courts in the establishment of child support orders.

#### SEC. 3. FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

(a) IN GENERAL.—Chapter 115 of title 28, United States Code, is amended by inserting after section 1738A the following new section:

#### "§ 1738B. Full faith and credit for child support orders

"(a) DEFINITIONS.—In this section—

"'child' means—

"(A) a person under 18 years of age; and

"(B) a person 18 or more years of age with respect to whom a child support order has been issued pursuant to the laws of a State. "'child's State' means the State in which a child resides.

"'child support' means a payment of money, continuing support, or arrearages or the provision of a benefit (including health insurance) for the support of a child.

"'child support order'—

"(A) means a judgment, decree, or order of a court requiring the payment of child support in periodic amounts or in a lump sum; and

"(B) includes—

"(i) a permanent or temporary order; and

"(ii) an initial order or a modification of an order.

"'contestant' means—

"(A) a person (including a parent) who—

"(i) claims a right to receive child support;

"(ii) is a party to a proceeding that may result in the issuance of a child support order; or

"(iii) is under a child support order; and

"(B) a State or political subdivision of a State to which the right to obtain a child support order has been assigned.

"'court' means a court, administrative process, or quasi-judicial process of a State that is authorized by State law to establish the amount of child support payable by a contestant or make a modification of a child support order.

"'modification' means a change in a child support order that affects the amount, scope, or duration of the order and modifies, replaces, supersedes, or otherwise is made subsequent to the child support order.

"'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, and Indian country (as defined in section 1151 of title 18).

"(b) GENERAL RULE.—The appropriate authorities of each State—

"(1) shall enforce according to its terms a child support order made consistently with this section by a court of another State; and

"(2) shall not seek or make a modification of such an order except in accordance with subsection (e).

"(c) REQUIREMENTS OF CHILD SUPPORT ORDERS.—A child support order made is made consistently with this section if—

"(1) a court that makes the order, pursuant to the laws of the State in which the court is located—

"(A) has subject matter jurisdiction to hear the matter and enter such an order; and

"(B) has personal jurisdiction over the contestants; and

"(2) reasonable notice and opportunity to be heard is given to the contestants.

"(d) CONTINUING JURISDICTION.—A court of a State that has made a child support order consistently with this section has continuing, exclusive jurisdiction over the order if the State is the child's State or the residence of any contestant unless the court of another State, acting in accordance with subsection (e), has made a modification of the order.

"(e) AUTHORITY TO MODIFY ORDERS.—A court of a State may make a modification of a child support order with respect to a child that is made by a court of another State if—

"(1) the court has jurisdiction to make such a child support order; and

"(2)(A) the court of the other State no longer has continuing, exclusive jurisdiction of the child support order because that State no longer is the child's State or the residence of any contestant; or

"(B) each contestant has filed written consent to that court's making the modification and assuming continuing, exclusive jurisdiction over the order.

"(F) ENFORCEMENT OF PRIOR ORDERS.—A court of a State that no longer has continuing, exclusive jurisdiction of a child support order may enforce the order with respect to unsatisfied obligations that accrued before the date on which a modification of the order is made under subsection (e)."

(b) TECHNICAL AMENDMENT.—The chapter analysis for chapter 115 of title 28, United States Code, is amended by inserting after the item relating to section 1738A the following new item:

"1738B. Full faith and credit for child support orders."

By Mr. DECONCINI (for himself, Mr. COCHRAN, Mr. GORTON, Mr. SARBANES, Mr. STEVENS, Mr. SASSER, Mr. BIDEN, Mr. REID, Mr. THURMOND, Mr. RIEGLE, Mr. WARNER, Mr. ROCKEFELLER, Mr. SHELBY, Mr. KOHL, Mr. LEVIN, Mr. D'AMATO, Mr. GRAHAM, Mr. MACK, and Mr. BOND):

S.J. Res. 88. A joint resolution to designate July 1, 1993, as "National NYSP Day"; to the Committee on the Judiciary.

#### NATIONAL NYSP DAY

Mr. DECONCINI. Mr. President, today I am pleased to introduce, along with Senators COCHRAN, GORTON, SARBANES, STEVENS, SASSER, BIDEN, REID, THURMOND, RIEGLE, WARNER, ROCKEFELLER, SHELBY, KOHL, LEVIN, D'AMATO, GRAHAM, MACK, and BOND, a joint resolution designating July 1, 1993, as "National NYSP Day." This year marks the 25th year that the National Youth Sports Program [NYSP] has provided opportunity and hope for at-risk youngsters, ages 10 to 16 years old. This joint resolution acknowledges the accomplishments of this highly successful program over the past quarter century.

The NYSP is much more than a sports enrichment program. It offers participating youngsters drug education, math and science instruction, and job and education counseling. It also offers free meals provided by the U.S. Department of Agriculture and free medical exams donated by medical professionals in the community. In 1992, over 71,000 medical examinations were administered; as a result, over 20,000 participants, 28 percent, were referred to physicians for followup medical attention.

The NYSP educates youngsters on important issues like AIDS, teen pregnancy, gangs, and suicide prevention. The program gives many of these boys and girls an opportunity—perhaps their only opportunity—to see a college campus for the first time in their lives. It may very well offer the motivation

they need to stay in school. This past summer the program served over 70,000 high-risk youth in 173 colleges and universities across the country, including the 10 States and 7 of the 10 cities with the worst child poverty rates.

Created in 1968 by the President's Council on Physical Fitness and Sports and the National Collegiate Athletic Association [NCAA] as a response to the Watts riots, the National Youth Sports Program is administered by the U.S. Department of Health and Human Services and is an outstanding example of a public-private partnership that works. Every Federal dollar that goes to the NYSP is matched by \$3 from private sources. The NCAA through its participating colleges and universities pays the lion's share of these costs; donates staff, equipment, and facilities; and operates the program free of charge. As a result, every penny that goes to the program goes directly into services that help disadvantaged youngsters.

Mr. President, over the last 25 years the National Youth Sports Program has helped thousands of youngsters turn their lives around. Many of these participating youngsters live in public housing projects or on Indian reservations. All of them must meet the poverty income guidelines established by the Department of Health and Human Services. We all know how successful Head Start is. Many of the youngsters who participate in Head Start go on to participate in the NYSP.

Now, more than ever before, it is imperative that we as a Nation offer support services to the young people of this country during their teenage years. According to the National Commission on Children, an estimated one-quarter of 10- to 17-year-olds engage in at-risk behavior which threatens their own well-being or the well-being of their families or community members. Each year more than 1 million young women under the age of 20 become pregnant. AIDS cases among Americans age 13 to 24 are now reported in 49 States and the District of Columbia. The annual University of Michigan high-school drug survey recently found a significant increase in illicit drug use among eighth graders—the first evidence of an increase in drug use among young people since 1986.

In recent years teen violence has exploded. The number of violent crimes involving adolescents is growing at a faster rate than the number of those involving adults, according to the National Commission on Children. The juvenile arrest rate for murder, for example, has quadrupled since 1965; and the number of juveniles who committed murder with guns increased 79 percent during the last decade.

Mr. President, 1993 marks the 25th anniversary of the National Youth Sports Program—a program which has been a safety net for tens of thousands

of disadvantaged youngsters. It has encouraged good habits, built self-esteem and offered hope. For some it has provided a constructive alternative to drugs and crime. Hopefully, we will acknowledge the merit of this highly effective program by designating July 1, 1993, as "National NYSP Day." I urge my colleagues to show their support by cosponsoring this resolution. I ask unanimous consent that the joint resolution be printed at this point in the RECORD.

S.J. RES. 88

Whereas the National Youth Sports Program (hereafter referred to as "NYSP") is a highly effective and comprehensive youth sports and educational instruction program in the United States for economically disadvantaged youth, ages 10 to 16 years old;

Whereas over 69,000 economically disadvantaged young people participated in NYSP last year at United States colleges and universities in 153 cities, 44 States, and the District of Columbia;

Whereas NYSP provides over 70,000 medical and follow-up examinations as well as health instruction by medical professionals to enrolled youth;

Whereas NYSP provides hot United States Department of Agriculture-approved meals and snacks daily to all participating youth;

Whereas the NYSP staff includes professional instructors with undergraduate degrees who offer educational instruction in drug education, AIDS, higher education, nutrition and health, and math and science, and who offer counseling on such topics as career opportunities, teen pregnancy, anti-gang strategies, and suicide prevention in an effort to promote personal responsibility;

Whereas NYSP is administered by an advisory committee composed of community leaders and college and university personnel, and collaborates with local community action agencies and mayors' offices;

Whereas the NYSP partnership between the public and private sectors ensures that Federal funds are used to provide direct services for youth, that institutions of higher education contribute facilities and personnel and pay the indirect costs of the program, and that public and private businesses donate equipment and supplies; and

Whereas 1993 marks the 25th year that NYSP has provided economically disadvantaged youth with the opportunity to participate in healthy sports activities in order to encourage these youth to build good habits, to direct the competitive urge toward constructive ends, to stimulate the imagination to reach new goals, and to satisfy the human desire to belong: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 1, 1993, is designated as "National NYSP Day". The President is authorized and requested to issue a proclamation calling upon State and local jurisdictions, appropriate Federal agencies, and the people of the United States to observe the day with appropriate ceremonies and activities.*

Mr. ROCKEFELLER. Mr. President, today I am proud to join Senator DENNIS DECONCINI and Senator THAD COCHRAN in commemorating "National NYSP Day." For the past 25 years, the National Youth Sports Program has enriched the lives of economically disadvantaged youths all over the country

by providing them with not only sports and recreation activities, but also drug education, math and science instruction, and career and education counseling. Furthermore, with the help of the U.S. Department of Agriculture, as well as medical professionals in each community, youngsters are given nutritious meals and medical exams free of cost. Last year alone, this program served 70,000 at-risk boys and girls at 173 college and university campuses throughout the Nation.

I am pleased to recognize two academic institutions in the State of West Virginia which participate in the National Youth Sports Program: West Virginia University in Morgantown and Shepherd College in Shepherdstown. Thanks to the NYSP in these areas, this year, over 500 young West Virginians were able to partake in numerous athletic activities while learning the importance of staying in school and being socially responsible.

Mr. President, I applaud the efforts of the NYSP and those who support this project; the National Collegiate Athletic Conference, the Department of Health and Human Services, and institutions of higher education like West Virginia University and Shepherd College. Programs like the NYSP offer at-risk young people a positive influence. They give young men and women the guidance they seek, and the hope they need.

By Mr. SIMON (for himself, Ms. MOSELEY-BRAUN, Mr. SARBANES, Ms. MIKULSKI, Mr. LIEBERMAN, Mr. METZENBAUM, Mr. RIEGLE, Mr. MITCHELL, Mr. ROTH, and Mr. D'AMATO):

S.J. Res. 89. A bill to designate October 1993, as "Polish-American Heritage Month"; to the Committee on the Judiciary.

#### POLISH-AMERICAN HERITAGE MONTH

• Mr. SIMON. Mr. President today, along with several of my colleagues, I am pleased to introduce a resolution to honor millions of Americans of Polish descent. My resolution will designate October 1993, as Polish-American Heritage Month.

Polish-Americans have given our country so much in every walk of life that it is only appropriate to call attention to their many achievements.

The introduction of this resolution coincides with this week's 202d anniversary of the signing of Poland's constitution. The Polish Constitution was modeled after the United States Constitution and was the first liberal Constitution ratified in Europe. This Constitution threatened the domination of the monarchies in Europe, and Poland was subsequently partitioned by foreign powers in 1795 and would not become an independent state again until 1918. As the first country to lift itself from Communist rule in 1989, it is only fitting to introduce this resolution to

coincide with Poland's Constitution Day.

In Chicago, Illinois is proud to have the largest concentration of people of Polish descent outside of Warsaw; we are also proud to honor a hero from the Revolutionary War, Casimir Pulaski, with an official State holiday. Count Pulaski, who fought against foreign domination in Poland, met Benjamin Franklin in 1776 in Paris and offered his services to the American Revolution. He was made a general and chief of cavalry by Congress and formed a corps of cavalry and infantry that became known as Pulaski's Legion. He died of wounds leading American and French soldiers in the siege of Savannah, GA, in 1779. With Polish-American Heritage Month we not only honor Poles of great historic stature like Casimir Pulaski, but also thousands of Poles through the years and today who have given so much to American life.

On Monday, President Lech Walesa awarded Poland's highest honor, the Order of the White Eagle, to His Holiness Pope John Paul II. Established in the 12th century, this award was abolished by the Communists who seized power after World War II. The reinstatement of this award is a symbol of Poland's strong tradition and continuity. Through the work of great leaders like Lech Walesa, Poland has been a beacon of hope for countries throughout the world taking steps to institute social, economic, and legal reform after years of domination by nondemocratic powers.

Polish-American Heritage Month also honors the strides Poland has made since it elected the first democratic government in Eastern Europe since World War II. Poles have stonically maneuvered the transition from a command economy to a free market economy. Just last week the Polish Parliament's lower chamber, the Sejm, voted overwhelmingly to approve a mass privatization plan that will strengthen Poland's efforts to reform its economy.

And many Americans have participated in Poland's economic transition. The Polish-American Enterprise Fund is helping American and Polish companies work together to create jobs both in Poland and the United States. For example, the Liquid Carbonic Co. of Chicago recently acquired a 70-percent interest in Poland's two biggest gas factories. With American capital and modern management techniques, Poland is learning how to compete in a global economy and American companies have been able to find new markets for their goods and services.

Over the Memorial Day recess I will be traveling to Poland to see how Poland's reforms are coming along. I would also like to bring my counterparts in Poland a copy of Polish-American Heritage Month and a list of cosponsors to show them our commit-

ment to Poland in the United States. I hope my colleagues who have not yet cosponsored Polish-American Heritage Month, will join me in honoring Poles in the United States and Poland.

I request that the following resolution be printed in the CONGRESSIONAL RECORD in its entirety.

There being no objection, the joint resolution ordered to be printed in the RECORD, as follows:

S.J. RES. 89

Whereas the first Polish immigrants to North America were among the first settlers of Jamestown, Virginia, in the seventeenth century;

Whereas Kazimierz Pulaski, Tadeusz Kosciuszko, and other Poles came to the British colonies in America to fight in the Revolutionary War and to risk their lives and fortunes for the creation of the United States;

Whereas Poles and Americans of Polish descent have distinguished themselves by contributing to the development of arts, sciences, government, military service, athletics, and education in the United States;

Whereas the Polish Constitution of May 3, 1791, was modeled after the Constitution of the United States, is recognized as the second written constitution in history, and is revered by Poles and Americans of Polish descent;

Whereas Poles and Americans of Polish descent take great pride and honor in the greatest son of Poland, his Holiness Pope John Paul the Second;

Whereas Poles, Americans of Polish descent, and people everywhere applauded the efforts of Lech Walesa, Solidarity's leader and current President of Poland, in fighting for freedom, human rights, and economic reform in Poland; and

Whereas the Polish American Congress is observing its forty-ninth anniversary this year and is celebrating October 1993, as "Polish-American Heritage Month": Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That October 1993, is designated "Polish-American Heritage Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.●

#### ADDITIONAL COSPONSORS

S. 11

At the request of Mr. BIDEN, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 11, a bill to combat violence and crimes against women on the streets and in homes.

S. 216

At the request of Mr. D'AMATO, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 216, a bill to provide for the minting of coins to commemorate the World University Games.

S. 266

At the request of Mr. SIMON, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 266, a bill to provide for

elementary and secondary school library media resources, technology enhancement, training and improvement.

S. 349

At the request of Mr. STEVENS, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 349, a bill to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes.

S. 481

At the request of Mr. SIMON, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 481, a bill to amend the National Labor Relations Act to give employers and performers in the live performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 486

At the request of Mr. HEFLIN, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors 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. 561

At the request of Mr. DODD, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 561, a bill to establish a child and family services and law enforcement partnership program, and for other purposes.

S. 596

At the request of Mr. ROCKEFELLER, the name of the Senator from Texas [Mr. KRUEGER] was added as a cosponsor of S. 596, a bill to amend title IV of the Social Security Act to provide improved child welfare services, and for other purposes.

S. 603

At the request of Mr. D'AMATO, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 603, a bill to provide for adherence with the MacBride Principles by United States persons doing business in Northern Ireland.

S. 674

At the request of Mr. THURMOND, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of S. 674, a bill to require health warnings to be included in alcoholic beverage advertisements, and for other purposes.

S. 689

At the request of Mr. BRADLEY, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 689, a bill to improve the interstate enforcement of child support and parentage court orders, and for other purposes.

S. 717

At the request of Mr. PRYOR, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 717, a bill to amend the Egg Research and Consumer Information Act to modify the provisions governing the rate of assessment, to expand the exemption of egg producers from such Act, and for other purposes.

S. 739

At the request of Mr. BUMPERS, the names of the Senator from Montana [Mr. BURNS], the Senator from Tennessee [Mr. SASSER], the Senator from Alabama [Mr. HEFLIN], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 739, a bill to amend the Internal Revenue Code of 1986 to simplify the limitation on using last year's taxes to calculate an individual's estimated tax payments.

S. 784

At the request of Mr. HATCH, the name of the Senator from Wyoming [Mr. SIMPSON] 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. 862

At the request of Mr. BRADLEY, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 862, a bill to promote the development of small business in economically distressed central cities by providing for entrepreneurship training courses and Federal guarantees of loans to potential entrepreneurs, and for other purposes.

S. 874

At the request of Mr. PRESSLER, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Oklahoma [Mr. NICKLES], the Senator from Montana [Mr. BAUCUS], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 874, a bill to reauthorize Public Law 81-874 (Impact Aid), and for other purposes.

S. 885

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 885, a bill to limit the acceptance of gifts, meals, and travel by Members of Congress and congressional staff, and for other purposes.

S. 898

At the request of Mr. KENNEDY, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 898, a bill to provide for the admission of the State of New Columbia into the Union.

## SENATE JOINT RESOLUTION 52

At the request of Mr. PACKWOOD, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Joint Resolution 52, a joint resolution to designate the month of November 1993 and 1994 as "National Hospice Month."

## SENATE JOINT RESOLUTION 55

At the request of Mr. HATCH, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the periods commencing on November 28, 1993, and ending on December 4, 1993, and commencing on November 27, 1994, and ending on December 3, 1994, as "National Home Care Week."

## SENATE JOINT RESOLUTION 58

At the request of Mr. GRAMM, his name was added as a cosponsor of Senate Joint Resolution 58, a joint resolution to designate the weeks of May 2, 1993, through May 8, 1993, and May 1, 1994, through May 7, 1994, as "National Correctional Officers Week."

At the request of Mr. RIEGLE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 58, supra.

## SENATE JOINT RESOLUTION 61

At the request of Mr. SIMON, the names of the Senator from West Virginia [Mr. BYRD] and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of Senate Joint Resolution 61, a joint resolution to designate the week of October 3, 1993, through October 9, 1993, as "Mental Illness Awareness Week."

## SENATE JOINT RESOLUTION 73

At the request of Mr. RIEGLE, the names of the Senator from Texas [Mr. KRUEGER], the Senator from Arizona [Mr. DECONCINI], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 73, a joint resolution to designate July 5, 1993, through July 12, 1993, as "National Awareness Week for Life-Saving Techniques."

## SENATE JOINT RESOLUTION 79

At the request of Mr. LAUTENBERG, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of Senate Joint Resolution 79, a joint resolution to designate June 19, 1993, as "National Baseball Day."

## SENATE JOINT RESOLUTION 84

At the request of Mr. DOLE, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Montana [Mr. BAUCUS], the Senator from North Carolina [Mr. HELMS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Michigan [Mr. LEVIN], the Senator from Alaska [Mr. STEVENS], the Senator from Delaware [Mr. BIDEN], the Senator from Alabama [Mr. SHELBY], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wisconsin [Mr. KOHL], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Mississippi [Mr. LOTT], the Senator from Colorado [Mr. BROWN], the Senator from New York [Mr. MOYNIHAN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Iowa [Mr. GRASSLEY], the Senator from Florida [Mr. GRAHAM], the Senator from North

Dakota [Mr. CONRAD], the Senator from Virginia [Mr. ROBB], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Indiana [Mr. LUGAR], the Senator from Utah [Mr. HATCH], the Senator from Washington [Mr. GORTON], the Senator from New Mexico [Mr. DOMENICI], the Senator from Oregon [Mr. PACKWOOD], the Senator from New Jersey [Mr. BRADLEY], the Senator from New York [Mr. D'AMATO], the Senator from Oklahoma [Mr. NICKLES], the Senator from Florida [Mr. MACK], the Senator from South Dakota [Mr. PRESSLER], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Delaware [Mr. ROTH], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 84, a joint resolution designating the week of June 1, 1993, through June 7, 1993, as a "Week for the National Observance of the Fiftieth Anniversary of World War II."

## AMENDMENT NO. 342

At the request of Mr. PRESSLER the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of amendment No. 342 proposed to S. 349, a bill to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes.

## AMENDMENT NO. 347

At the request of Mrs. BOXER her name was added as a cosponsor of amendment No. 347 proposed to S. 349, a bill to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD (for Mr. MITCHELL (for himself and Mr. DOLE)):

S. Res. 106. A resolution to authorize testimony by and representation of Senate employees; considered and agreed to.

By Mr. DECONCINI (for himself, Mr. D'AMATO, Mr. LIEBERMAN, Mr. WOFFORD, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. GLENN, and Mr. RIEGLE):

S. Con. Res. 24. A concurrent resolution concerning the removal of Russian troops from the independent Baltic States of Estonia, Latvia, and Lithuania; to the Committee on Foreign Relations.

## SENATE CONCURRENT RESOLUTION 24—RELATIVE TO ESTONIA, LATVIA, AND LITHUANIA

Mr. DECONCINI (for himself, Mr. D'AMATO, Mr. LIEBERMAN, Mr. WOFFORD, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. GLENN, and Mr. RIEGLE) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

## S. CON. RES. 24

Whereas the armed forces of the former Soviet Union, currently under control of the Russian Federation, continue to be deployed on the territory of the sovereign and independent Baltic States of Estonia, Latvia, and Lithuania against the wishes of the Baltic peoples and their governments;

Whereas the stationing of military forces on the territory of another sovereign state against the will of that state is contrary to international law;

Whereas the presence of Russian military forces in the Baltic States may present a destabilizing effect on the governments of these states;

Whereas the governments of Estonia, Latvia, and Lithuania have demanded that the Russian Federation remove such forces from their territories;

Whereas Article 15 of the July 1992 Helsinki Summit Declaration of the Conference on Security and Cooperation in Europe specifically calls for the conclusion, without delay, of appropriate bilateral agreements, including timetables, for the "early, orderly and complete withdrawal of such foreign troops from the territories of the Baltic states";

Whereas the United States is aware of the difficulties facing the Russian Federation in resettling Russian soldiers and their families in Russia, and that the lack of housing is a factor in the expeditious removal of Russian troops;

Whereas the United States is committed to providing assistance to the Russian Federation for construction of housing and job retraining for returning troops in an attempt to help alleviate this burden; and

Whereas the United States is encouraged by the progress achieved thus far in removal of such troops, and welcomes the agreement reached between the Russian Federation and Lithuania establishing the August 1993 deadline for troop removal: Now, therefore, be it Resolved by the Senate (the House of Representatives concurring), That the Congress calls upon the Government of the Russian Federation to continue to remove its troops from the independent Baltic States of Estonia, Latvia, and Lithuania through a firm, expeditious, and conscientiously observed schedule.

Mr. DECONCINI. Mr. President, at this time, approximately 40,000 Russian troops continue to be deployed on the territory of the independent Baltic States of Estonia, Latvia, and Lithuania. These troops are vestiges of the Soviet era. The Baltic States want these troops out, and both the CSCE and the United Nations have called for the removal of foreign troops from the Baltic States.

The Russian Government and the governments of the independent Baltic States have been holding negotiations on a variety of subjects, including the troop withdrawals. Moscow and Vilnius have reached agreement on removing troops from Lithuania by August 1993. Unfortunately, similar schedules have not been reached with Estonia and Latvia.

The U.S. Congress has stipulated, through the Byrd amendment to Public Law 102-391, Assistance for the New Independent States of the Former Soviet Union Act, that no more than 50 percent of the funds provided to Rus-

sia, other than humanitarian assistance, shall be made available unless the President certifies to Congress by June 1, 1993, that the Government of Russia and the Governments of Estonia, Latvia, and Lithuania have made substantial progress toward establishing a timetable for withdrawal, or that substantial withdrawal has occurred. Moreover, under the Byrd amendment, of which I was an original cosponsor, no aid will be forthcoming after October 1993 if the Russian troops have not been removed, or if at least a timetable for withdrawal has not been established.

In fact, Russian troops are leaving the region; their overall number is now down by 90,000, compared to Soviet times, when there were 130,000-200,000 troops in the Baltic States. Still, the Russian Government appears unwilling to agree to a definite withdrawal timetable with Latvia and Estonia. As late as March 2, 1993, Radio Riga reported that Russian Army officers are still being dispatched to Latvia for service there, and have been turned back at the border by Latvian authorities. Moreover, spokespersons for the Russian Government continue to link the presence of Russian troops in Latvia and Estonia with alleged human rights violations against ethnic Russians in those countries.

I understand the difficulty that the Russian Government is experiencing in providing quarters for returning soldiers. It is estimated that adequate quarters are lacking in Russia for 120,000 officers and families removed from Germany, Poland, and the Baltic States. To help address this problem, at the Vancouver summit, the United States made a commitment to provide \$6 million for construction of housing and job retraining for returning troops.

Let me emphasize that I understand the pressure which the Yeltsin government faces from hardline national groups that mourn the end of the U.S.S.R. and perhaps even favor bringing the Baltic States back into some sort of union by whatever means necessary. I have no intention of making President Yeltsin's job any more difficult than it already is. Still, all the parties involved in this issue should know that the United States still sees the removal of Russian troops from the Baltic States as a vital element in finally assuring peace in that region.

Today, I am introducing, together with Senators D'AMATO, LIEBERMAN, WOFFORD, MIKULSKI, MOSELEY-BRAUN, GLENN, and RIEGLE, a resolution acknowledging the progress made to date and calling upon the Government of the Russian Federation to continue to remove its troops from all three Baltic States through a firm, expeditious, and conscientiously observed schedule.

**SENATE RESOLUTION 106—RELATIVE TO SENATE EMPLOYEES**

Mr. FORD (for Mr. MITCHELL and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 106

Whereas, in the case of *United States v. Thomas F. Weiss*, Case No. M-772-93, pending in the Superior Court of the District of Columbia, subpoenas for testimony have been issued to Mary Jane Hatcher, David Hauck, Mary Beth Markey, Sandra Mason, and Ursula McManus, employees of the Senate on the staff of the Committee on Foreign Relations;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2)(1988), the Senate may direct its counsel to represent committees, Members, officers and employees of the Senate with respect to subpoenas or orders issued to them in their official capacity: Now, therefore, be it

*Resolved*, That Mary Jane Hatcher, David Hauck, Mary Beth Markey, Sandra Mason, and Ursula McManus, and any other employee of the Senate who is subpoenaed to testify, are authorized to testify in the case of *United States v. Thomas F. Weiss*, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is directed to represent Mary Jane Hatcher, David Hauck, Mary Beth Markey, Sandra Mason, and Ursula McManus, and any Member, officer, or other employee of the Senate who is subpoenaed to testify, in connection with the testimony authorized under section 1.

**AMENDMENTS SUBMITTED**

**LOBBY DISCLOSURE ACT OF 1993**

**STEVENS AMENDMENT NO. 348**

Mr. STEVENS proposed an amendment to the bill (S. 349) to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes, as follows:

On page 19, at the end of line 16, strike out "and".

On page 19, at the end of line 20, insert "and".

On page 19, between lines 20 and 21, insert the following:

"(C) are compatible with computer systems developed and maintained by the Secretary of the Senate and the Clerk of the House of Representatives;"

On page 20, line 22, strike out "and other means" and insert in lieu thereof "or other transmittal in a form accessible by computer".

On page 21, line 2, strike out "2 working days" and insert in lieu thereof "3 working days".

On page 37, insert between lines 11 and 12 the following new section:

**"SEC. . TRANSITIONAL FILING REQUIREMENT.**

"(a) SIMULTANEOUS FILING.—Subject to the provisions of subsection (b), each registrant shall transmit simultaneously to the Secretary of the Senate and the Clerk of the House of Representatives an identical copy of each registration and report required to be filed under this Act. .

"(b) SUNSET PROVISION.—The simultaneous filing requirement under subsection (a) shall be effective until such time as the Director, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, determines that the Office of Lobbying Registration is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 6(b)(11).

"(c) IMPLEMENTATION.—The Director, the Secretary of the Senate and the Clerk of the House of Representatives shall take such actions as necessary to ensure that the Office of Lobbying Registration is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 6(b)(11) on the effective date of this Act, or as soon thereafter as reasonably practicable."

**STEVENS (AND BINGAMAN)**

**AMENDMENT NO. 349**

Mr. STEVENS (for himself and Mr. BINGAMAN) proposed an amendment to the bill (S. 349) to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes; as follows:

On page 2, line 13 strike "and".

On page 2, line 18, strike the period and insert in lieu thereof "and".

On page 2, between lines 18 and 19, insert the following new findings:

"(4) identification of persons who contribute significant amounts (\$500 or more during a 6-month period) to persons or entities that employ lobbyists will further the important public purpose of enabling Federal legislative and executive branch officials and the public to evaluate positions that are advocated by lobbyists in light of the interests of persons or entities that may benefit from acceptance of those positions, without impinging on the First Amendment rights of persons or entities who do not support lobbying activities to such a significant extent; and

"(5) as required by the Supreme Court in *Buckley v. Valeo*, 424 U.S. 1 (1975), this disclosure requirement is narrowly limited so that the information required has a substantial connection to the governmental interest sought to be advanced and is a reasonable and minimally restrictive method of furthering First Amendment values by opening the processes of lobbying activities to public view."

On page 12, strike lines 7 through 14 and insert in lieu thereof the following:

"(3) the name, address, occupation, and name and address of the employer of any person or entity, other than the client, that has contributed \$500 or more to the client during the preceding semiannual period;"

**LEVIN (AND COHEN) AMENDMENT**

**NO. 350**

Mr. LEVIN (for himself and Mr. COHEN) proposed an amendment to the bill, S. 349, supra, as follows:

On page 12, line 17, strike out all beginning with "client" through "entity" and insert in lieu thereof "client (if any) of any foreign entity".

On page 22, strike out lines 10 through 14 and insert in lieu thereof the following:

(2) if the person admits that there was a noncompliance and corrects such noncompliance—

(A) in the case of a minor noncompliance, take no further action; or

(B) in the case of a significant noncompliance, treat the matter as a minor noncompliance for the purpose of section 8; or

**SIMON (AND OTHERS)**

**AMENDMENT NO. 351**

Mr. SIMON (for himself, Mr. LAUTENBERG, Mr. SIMPSON, and Mrs. BOXER) proposed an amendment to the bill, S. 349, supra, as follows:

At the appropriate place in the bill, insert the following:

**SEC. . GOVERNMENT-SPONSORED ENTERPRISES—REPORT TO CONGRESS.**

(a) IN GENERAL.—A government-sponsored enterprise (hereafter in this section referred to as a "GSE") shall submit an annual report to the Congress containing the following information:

(1) A list including the name and address of each contractor, consultant, agent, or employee hired by the GSE to engage in—

(A) grass roots organizing or campaigning;

(B) public relations, media consulting, or image advertising; or

(C) lobbying, including the direct and indirect lobbying of the Congress.

(2) An itemization of all costs associated with activities described in paragraph (1) whether incurred by the GSE or by any of its contractors, consultants, agents, or employees listed pursuant to such paragraph, including entertainment expenses, travel expenses, advertising costs, salaries, billing rates and the total amount billed for services.

(3) A description of any lobbying of the Congress or the executive branch by employees, board members, or officers of the GSE.

(4) A description of any effort by the GSE or its agents to encourage others to lobby the Congress or the executive branch.

(5) A list of all charitable donations paid by the GSE on behalf of Members of Congress or members of the executive branch.

(6) A list of the salaries and other compensation (including the present value of stock options) and benefits paid to the officers and board members of the GSE.

(7) A list of all GSE employees who have been employed by either the Congress or the Federal Government in the 5 years preceding the report, and such employees' salary prior to being hired by the GSE and their current salary.

(b) DEFINITION OF GOVERNMENT-SPONSORED ENTERPRISE.—For the purposes of this section, the term "government-sponsored enterprise" means—

(1) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, and

(2) a guaranty agency, as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j)).

CONGRESSIONAL CAMPAIGN  
SPENDING LIMIT AND ELECTION  
REFORM ACT OF 1993

DECONCINI AMENDMENTS NOS. 352-  
353

(Ordered to lie on the table.)

Mr. DECONCINI submitted two amendments intended to be proposed by him to the bill (S. 3) entitled the "Congressional Spending Limit and Election Reform Act of 1993", as follows:

AMENDMENT No. 352

In section 315(i)(1) of the Federal Election Campaign Act of 1971, proposed to be added by section 102(a), strike "\$2,500" and insert "\$1,000".

In section 315(i)(2) of the Federal Election Campaign Act of 1971, proposed to be added by section 102(a), strike "the lesser of" and all that follows through "20 percent" and insert "10 percent".

In section 315(i)(3) of the Federal Election Campaign Act of 1971, proposed to be added by section 102(a), strike "20 percent" and insert "10 percent".

In section 315(i) of the Federal Election Campaign Act of 1971, proposed to be added by section 102(a), strike paragraph (4) and redesignate paragraph (5) as paragraph (4).

AMENDMENT No. 353

In section 501(a)(1)(A)(i) of the Federal Election Campaign Act of 1971, proposed to be added by section 101(a), strike "67 percent" and insert "50 percent".

In section 502(b)(1)(B)(i) of the Federal Election Campaign Act of 1971, proposed to be added by section 101(a), strike "\$950,000" and insert "\$900,000".

In section 502(b)(1)(B)(ii)(I) of the Federal Election Campaign Act of 1971, proposed to be added by section 101(a), strike "30 cents" and insert "21 cents".

In section 502(b)(1)(B)(ii)(II) of the Federal Election Campaign Act of 1971, proposed to be added by section 101(a), strike "25 cents" and insert "18 cents".

AUTHORITY FOR COMMITTEES TO  
MEET

COMMITTEE ON COMMERCE, SCIENCE AND  
TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation, be authorized to meet during the session of the Senate on May 6, 1993, at 9:30 a.m. on NAFTA's effects in U.S. competitiveness.

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

COMMITTEE ON ENERGY AND NATURAL  
RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 10 a.m., May 6, 1993, to receive testimony on S. 646, the International Fusion Energy Act of 1993.

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

COMMITTEE ON ENERGY AND NATURAL  
RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on

Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., May 6, 1993, to consider S. 775, the Hardrock Mining Reform Act of 1993, and any other business ready for consideration.

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

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet on May 6, 1993, at 10 a.m., to hear and consider five nominations to positions in the Department of the Treasury.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 6, at 11 a.m. to hold a business meeting to vote on pending nominations.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet for a hearing on Federal regulation of medical radiation uses. On Thursday, May 6, at 9:30 a.m.

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

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, May 6, 1993, at 10 a.m.

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

COMMITTEE ON SMALL BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Thursday, May 6, 1993, at 1 p.m. The committee will hold a full committee hearing on the President's nomination of Erskine Bowles to be the Administrator of the Small Business Administration.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on the Department of Veterans Affairs facilities and construction programs at 11 a.m. on Thursday, May 6, 1993. The hearing will be held in room 418 of the Russell Senate Office Building.

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

SPECIAL COMMITTEE ON AGING

Mr. FORD. Mr. President, I ask unanimous consent that the Special Committee on Aging, be authorized to meet during the session of the Senate on

Thursday, May 6, 1993, at 10 a.m. to hold a hearing entitled "Preventive Health: An Ounce of Prevention Saves a Pound of Cure."

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

SUBCOMMITTEE ON FORCE REQUIREMENTS AND  
PERSONNEL

Mr. FORD. 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 Thursday, May 6, 1993, at 9 a.m., in open session, to receive testimony on the personnel programs of the military services associated with the defense authorization request for fiscal year 1994 and the future years defense program.

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

SUBCOMMITTEE ON HEALTH FOR FAMILIES

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Health for Families and the Uninsured of the Committee on Finance be permitted to meet on May 6, 1993, at 2:15 p.m. to hear testimony on the subject of the administration's childhood immunization proposals.

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

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL  
PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, immediately following the 2 p.m. business meeting of the Committee on Energy and Natural Resources, May 6, 1993, to receive testimony on S. 172 and H.R. 63, bills to establish the Spring Mountains National Recreation Area in Nevada, and for other purposes; S. 184, a bill to provide for the exchange of certain lands within the State of Utah, and for other purposes; S. 250, a bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Red River in Kentucky as components of the National Wild and Scenic Rivers System, and for other purposes; S. 489, a bill entitled the Gallatin Range Consolidation and Protection Act of 1993; and S. 577, a bill to resolve the status of certain lands relinquished to the United States under the act of June 4, 1897 (30 Stat. 11, 36), and for other purposes.

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

SUBCOMMITTEE ON SUPERFUND, RECYCLING,  
AND SOLID WASTE MANAGEMENT

Mr. FORD. Mr. President, I ask that the Subcommittee on Superfund, Recycling and Solid Waste Management, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, May 6, beginning at 10:30 a.m., to conduct a hearing on the health and ecological impacts of Superfund sites.

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

ADDITIONAL STATEMENTS

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 April 30, 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 \$2.1 billion in budget authority and \$0.5 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.

There has been no action that affects the current level of budget authority, outlays, or revenues since the last report, dated April 30, 1993.

The report follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, May 4, 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 April 30, 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 April 29, 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 APR. 30, 1993  
(In billions of dollars)

	Budget resolution (H. Con. Res. 287)	Current level <sup>1</sup>	Current level +/- resolution
On-budget:			
Budget authority	1,250.0	1,247.9	-2.1

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE,  
103D CONG. 1ST SESS. AS OF APR. 30, 1993—Continued  
(In billions of dollars)

	Budget resolution (H. Con. Res. 287)	Current level <sup>1</sup>	Current level +/- resolution
Outlays	1,242.3	1,241.8	- .5
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	4,157.4	-303.8
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	(?)
1993-97	1,865.0	1,865.0	(?)

<sup>1</sup> 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.

<sup>2</sup> 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 APR. 30, 1993  
(In millions of dollars)

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			849,425
Permanents and other spending legislation	764,283	737,413	
Appropriation legislation	732,061	743,943	
Offsetting receipts	(240,524)	(240,524)	
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
Entitlements and Mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(7,928)	962	
Total current level <sup>1</sup>	1,247,892	1,241,794	849,425
Total budget resolution <sup>2</sup>	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	2,098	496	
Over budget resolution			535

<sup>1</sup> In accordance with the Budget Enforcement Act, budget authority and outlay totals do 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	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)
Total	4,500	10,333

<sup>2</sup> Includes revision under section 9 of the concurrent resolution on the budget.

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.

S. 874—IMPACT AID  
REAUTHORIZATION ACT OF 1993

• Mr. BURNS. Mr. President, I rise today in support of the bill, S. 874, introduced by my colleague from South Dakota, Senator PRESSLER.

As my colleagues know, many schools are adversely impacted by Federal activity. In my State, there are

numerous schools which are impacted, because children either live on military installations like Malmstrom Air Force Base, or on Indian reservations. In fiscal year 1991, my State received over \$21 million in impact aid funding.

Impact aid plays an important role in the educational funding of many children in my State. Without these funds, many communities would not have an adequate tax base to provide even the most basic education for their young people.

The truth is that impact aid, as it currently stands, has a complex formula and can be difficult to administer. Right now, schools with a relatively small number of impacted students are considered as needy as schools where almost every student is impacted. There are districts that are well-funded out there that receive impact aid. There are schools in Montana that have a tax base of two or three landowners. Comparing these schools is like comparing apples and oranges, folks.

Senator PRESSLER's bill will simplify the Impact Aid Program. While this bill would not remove any child from eligibility, it would change the way that a district's benefit is figured. The new formula would take into consideration the need of school districts while assigning weights to children according to their impact on the schools.

I must also say that I am especially pleased that a Montanan—Ivan Small of Browning, MT—had a role in the NAFIS Committee that advised Senator PRESSLER on this issue. •

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 for fiscal year 1993 and is current through April 28, 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 \$2.1 billion in budget authority and \$0.5 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 April 20, 1993, Congress has cleared and the President has signed Public Law 103-24, the Emergency Supplemental Appropriations Act of 1993, making appropriations to the unemployment insurance trust fund. As a designated emergency, this act would not add to current level estimates of budget authority, outlays, or revenues. The spending for unemployment insurance provided by this bill is treated as mandatory under the Budget Enforcement Act and was already included in CBO's estimate of the cost of Public Law 103-6, the Emergency Unemployment Compensation Amendments of 1993.

The report follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, April 29, 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 April 28, 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 April 19, 1993, Congress has cleared and the President has signed P.L. 103-24, The Emergency Supplemental Appropriations Act of 1993, making appropriations to the unemployment insurance trust fund. We estimate that this Act would have no effect on budget authority, outlays or revenues. The spending for unemployment insurance provided by this bill is treated as mandatory under the Budget Enforcement Act and was already included in CBO's estimate of the cost of P.L. 103-6, the Emergency Unemployment Compensation Amendments of 1993.

Sincerely,

ROBERT D. REISCHAUER,  
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE,  
103D CONG. 1ST SESS. AS OF APR. 28, 1993

(In billions of dollars)

	Budget resolution (H. Con. Res. 287)	Current level <sup>1</sup>	Current level +/- resolution
<b>On-budget:</b>			
Budget authority	1,250.0	1,247.9	-2.1
Outlays	1,242.3	1,241.8	-.5
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	4,135.7	-325.5
<b>Off-budget:</b>			
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)

<sup>1</sup> 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.

<sup>2</sup> 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 APR. 28, 1993.

(In millions of dollars)

	Budget authority	Outlays	Revenues
<b>ENACTED IN PREVIOUS SESSIONS</b>			
Revenues			849,425
Permanents and other spending legislation	764,283	737,413	
Appropriation legislation	732,061	743,943	
Offsetting receipts	(240,524)	(240,524)	
Total previously enacted	1,255,820	1,240,833	849,425
<b>ENACTED THIS SESSION</b>			
Entitlements and Mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted			
	(7,928)	962	
Total current level <sup>1</sup>	1,247,892	1,241,794	849,425
Total budget resolution <sup>2</sup>	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	2,098	496	
Over budget resolution			535

<sup>1</sup> In accordance with the Budget Enforcement Act, budget authority and outlay totals do not include the following in emergency funding:

(In millions of dollars)

	Budget authority	Outlays
<b>Public Law:</b>		
102-229		712
102-266		33
102-302		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)
Total	4,500	10,333

<sup>2</sup> Includes revision under section 9 of the concurrent resolution on the budget.

Notes.—Amounts in parentheses are negative. Detail may not add due to rounding.

THE NEED FOR GREATER FOOD SAFETY AND INSPECTION

● Mr. DURENBERGER. Mr. President, I rise today to draw attention to the need for greater food safety and inspection by the Federal Government. Currently, the jurisdiction of food safety is divided between four departments and agencies, with different regulations, guidelines, and inspection rates.

The result is an inadequate bureaucratic morass that ill-serves consumers, farmers, and food processors. The time has come to unify the Federal Government's food safety and inspection services into a single independent agency—and I am currently drafting a bill which will accomplish this goal.

Right now the U.S. Department of Agriculture has jurisdiction over meat and poultry, the Commerce Department has jurisdiction over seafood inspection, the Environmental Protection Agency is involved in the determination of pesticide residue levels on fruits and vegetables, and the Food and Drug Administration inspects and regulates most processed food products and imported food products except for meat and poultry.

Not only do these various agencies have different regulations, but they

also have different inspection rates. For example, the Food Safety and Inspection Service of USDA inspects all meat and poultry carcasses, while the FDA is only able to inspect less than 2 percent of all foods coming into the United States.

But even these statistics are misleading. Even though FSIS/USDA inspection rates are enormously high, their techniques harken back to the era of Teddy Roosevelt in which they were created—relying on sight, smell, and touch as indicators. On the other hand, though the FDA does perform laboratory tests for microbial contamination, it only does this on a fraction of the food products for which it is responsible.

The bottom line is that either way, our food safety and inspection system is inadequate. The recent spate of deaths from contaminated mayonnaise in Oregon and fast food hamburgers contaminated with E. coli in Washington serve as a reminder of how critical this issue is to the well-being of our Nation's food producers and consumers.

Mr. President, the United States has the safest and most wholesome and nutritional food supply in the world. In discussing the Federal Government's role in food safety and inspection today I am not saying that we are not protecting our farmers, food processors, and consumers. Overall, the Federal Government does a pretty good job of food inspection and the men and women who devote their lives to this goal are good people and should be recognized as such. What I am saying, Mr. President, is that we can do better.

President Clinton was elected to office with a mandate for change. The President, as well as the Congress, has been asked by the American people to reinvent Government so that it works more efficiently and more productively for the people it is intended to serve.

A system with four agencies and departments, and four sets of rules and regulations, does not guarantee America the food safety that it deserves. A single Federal agency with uniform regulations will better serve farmers and food processors, as well as consumers.

In a report completed in June 1992, the General Accounting Office concluded that:

Inconsistencies and illogical differences between the agencies [responsible for good safety] approaches and enforcement authorities undercut the system's effectiveness. How frequently a food processing plant is inspected and what actions are taken to enforce food safety standards are determined not by a unified, comprehensive assessment of the risk that specific food products pose to public health but by the legislation that governs the responsible agency.

The GAO report goes on to say that:

For example, firms that process meat and poultry (under FSIS' regulations) are inspected daily, while firms that process seafood, which may be of similar [health] risk,

are inspected about once every three to five years (under FDA's rules).

Mr. President, it is clear that this Government can do better. I will soon be introducing legislation to create a uniform risk-based food safety and inspection agency. This legislation will be good for farmers, food processors, and consumers. It is my hope that my colleagues will support this legislation. •

#### NAVY SHIPBUILDING AND CONVERSION BUDGET

• Mr. D'AMATO. Mr. President, it appears to me that the phasing of the Navy's shipbuilding and conversion [SCN] budget for fiscal years 1994-95 is a formula for disaster.

The entire SCN account for fiscal year 1994 is \$4,294.7 million. We are buying a paltry 6 ships: 3 *Burke*-class destroyers (DDG-51's), 1 *Wasp*-class amphibious assault ship (LHD-1), and 2 oceanographic ships, and modifying an older amphibious assault ship into a mine warfare command and control ship.

Next year, with a smaller budget, the Navy is planning at least the following: 1 *Seawolf*-class attack submarine, 1 *Nimitz*-class aircraft carrier, and 3 *Burke*-class destroyers. The cost of the submarine and the destroyers alone is roughly \$4.2 billion. The aircraft carrier will add another \$3.6 billion. I have to presume that some number of auxiliary ships will also be requested.

My question is: how is the Navy going to accommodate this SCN funding spike in fiscal year 1995? Overall, you don't have to be Kreskin to realize that the Navy will have fewer funds next year than this year. They could gut aviation, but that account is already tight, and F/A-18E/F will be ramping up. The weapons and other procurement accounts have already been milked dry, and the Marines are poor cousins by any measure. So where is the money going to come from?

As I see it, we either move the carrier or the submarine into fiscal year 1994 or we pay for both half this year and half next year. My own preference would be to buy the *Seawolf* this year. The Navy estimates the SSN-23, benefiting from already appropriated funds, will require only \$1.6 billion to complete. Assuming we terminate at least one Navy aircraft development program this year, we can apply the money saved to shipbuilding. A *Seawolf* this year would also prove the salvation of a dying submarine industrial base.

I hope my colleagues will join me in attempting to rationalize the Navy shipbuilding this year to avoid a budgetary shipwreck next year. •

#### KOSOVA

• Mr. RIEGLE. Mr. President, tomorrow, several Albanian-American orga-

nizations will rally in front of the White House in a show of solidarity for Kosova's continued nonviolent resistance to Serbia's authoritarian rule. This rally will celebrate the courage of the ethnic Albanians in Kosova whose hopes to govern themselves have been quashed by the Serbian Government. Although not permitted to meet, the freely elected officials of Kosova continue to bravely lead the native Albanian people in their struggle against the Belgrade regime.

Tragically, in an effort to squelch the Kosovar quest for self-determination, the Serbian Government has imposed martial law in the previously autonomous province, and has denied the native Albanian population their most basic civil and human rights. The Prime Minister of Kosova, Dr. Bujar Bukoshi, has likened the treatment of the Albanian Kosovars to that of animals. Prime Minister Bukoshi, who visited my home State of Michigan in October 1992, fears that if the violence from Bosnia spills over into Kosova, the resulting ethnic cleansing will make the brutality in Bosnia pale in comparison.

Already under Serbia's stern fist, Kosova has been turned into a police state dominated by a small Serbian minority. While the Serb Government in Belgrade has taken control of roads and railways in Kosova, the peaceful majority has endured the loss of their mass media and the indignity of random, forced entries into their homes. Indeed, many ethnic Albanians have lost their jobs because of their ethnicity and now must turn to family and friends for many of the basic necessities of life. Furthermore, Belgrade has outlawed Albanian schools and has forced the closing of the Kosovar University.

Dr. Bukoshi has called this Serbian intimidation in Kosova a "campaign to \* \* \* provoke Albanians into a violent act of self defense." The Albanians in Kosova have been patient in their struggle to determine their own future. Mr. President, let us be a voice for the victims of repression in Kosova. We must speak out for the 2 million ethnic Albanians who voted for freedom 1 year ago this month, and must demand that the Serbian Government step aside and permit the rightful Assembly of Kosova to meet.

Moreover, the conflict in Bosnia must not be permitted to spread to Kosova. It was widely reported that President Bush warned the Serbs that aggression in Kosova would be met by a stern response from the United States, possibly including the use of force. President Clinton is reported to have echoed that warning. I firmly believe that the United States must be resolute in the event that Belgrade escalates and extends its campaign of violence to Kosova.

While I am encouraged by the new posture apparently being taken by the

Milosevic regime in support of a peaceful resolution of the Bosnian crisis, we must not lose our focus on the situation in Kosova. The Albanian majority of Kosova demands the same human and civil rights afforded to free citizens everywhere—they deserve no less. While I will not be able to take part in the rally for freedom in Kosova, I am proud to have this opportunity to add my voice of support for the courageous, nonviolent resistance of ethnic Albanians in Kosova. •

#### NATIONAL NURSING WEEK

• Mr. GORTON. Mr. President, the woman who is credited with founding modern nursing—Florence Nightingale—is most often remembered for her unprecedented generosity and kindness that comforted the ill at a time when medical care was virtually primitive. However, the medical community remembers her for her pivotal role in reforming health care. Her research on hospital care in Victorian England, fused with her experience and insight, convinced British medical and political establishments to dramatically change their ineffective, and dangerous, ideas about hospital design, and management. Her work serves as the foundation of the nursing profession—and today, it is the largest profession in the health care industry.

This week is National Nurses Week. Across the country, we will commend and recognize nurses for their hard work and dedication to the health care system. But in 1993, with health care reform at the top of our national agenda, we are presented with a perfect opportunity to recognize the many ways in which the nursing profession's expertise and knowledge can contribute to the health care reform debate.

While physicians diagnose illnesses and establish treatment plans, nurses are left to carry out the important details of the patient's care—and spend far more time with patients than physicians do. Their job requires constant monitoring of a patient's condition, and demands the ability to exercise their mastery of medicine and technology in response to minute-by-minute changes in a patient's status. A nurse's decisionmaking ability, judgment, and expertise in managing patient care is critical.

A patient's recovery is dependent not only on a nurse's medical expertise—but also on a nurse's ability to care for the person receiving treatment. The nursing profession demands much more than technical knowledge about medicine—and much of what constitutes a nurse's long, pressure-filled day require skills that only come naturally.

It is common for a patient to harbor a mix of fears over procedures that aren't easily understood, the high costs of these mysterious procedures, and whether or not they will really work.

Nurses recognize that people enter hospitals with high levels of anxiety—and they understand the importance of relieving those anxieties so they don't complicate a patient's recovery.

Reorienting patients to their environment after surgery, explaining procedures in terms that nonmedical people can understand, easing the tension that comes with the presence of needles and IV tubes, and simply listening to a patient's fears are essential components of quality health care. It takes an extraordinary individual to meet the responsibilities this job entails.

Nurses are with a patient 24 hours a day, 7 days a week and stand in the center of the health care delivery system—a position that enables them to fully understand how each segment of the system works. The harsh inadequacies of the current health care system—the numbers of uninsured, the soaring costs of care, and the mountains of cryptic paperwork—are seen, and understood, by those who serve on the frontlines. From this unique position, nurses offer an understanding of how health care reform will affect each aspect of the health care system.

Clearly, nurses should be a strong voice in health care reform. As the outcome of the health care reform debate may result in the most sweeping change in American domestic policy since the enactment of Social Security—it is imperative that we listen to the voices of those who can offer wisdom based on years of practical experience. Their voices are more important today than ever.

I commend the nurses in my own State, and across the country. Their long hours of hard work make a valuable contribution to quality health care. As we take time to recognize and commend those who have dedicated their lives to the care of others, let us also take time to listen to their ideas and insights on health care reform. The diverse nursing profession has much to contribute—and we have much to learn from their experience.●

#### FACES OF THE HEALTH CARE CRISIS

● Mr. RIEGLE. Mr. President, for the last 9 months I have been coming to the floor each week to talk about problems people in the State of Michigan are experiencing because of the health care crisis in America. I am hopeful that under President Clinton's leadership we will soon enact bold measures to reform our health care system.

Until we do so, there will continue to be many uninsured people with serious health conditions who are not receiving adequate health care. One such person is Shaun Cockrill from Flint, MI, who wrote to me earlier this year about her situation.

Shaun has been working as a home health aide for Samaritan Health Per-

sonnel in Flint for the last year and a half. Since Samaritan Health is a small temporary service, they are unable to provide health insurance for their workers. Until she became ill, Shaun was able to work 40 hours a week, bringing home about \$170. Her paycheck was barely enough to pay for her basic needs, let alone any additional health care expenses.

Shaun recently began to experience heavy bleeding. Because she is uninsured, she delayed seeking care. When she finally went to a local hospital, she was told that she was getting close to menopause and that abnormal bleeding was to be expected.

Unfortunately, her condition only got worse. She began to experience intense stomach pains and other complications, in addition to heavy bleeding. Again doctors assured her that this was to be expected and to go home, relax and put up her feet.

In March of this year, Shaun's daughter took her back to the local hospital and insisted that she be treated. This time, Shaun received transfusions to compensate for the blood loss. A D&C was performed to check for cancer, and she was diagnosed with a fibroid tumor and endometritis, which is an infection of the lining of the uterus. Her doctors gave her a prescription for antibiotics to control the infection and recommended she get a hysterectomy.

Without health insurance Shaun cannot even buy her prescription, much less pay for the recommended surgery. Her doctors are unwilling to perform the several thousand dollar operation because she is uninsured and cannot pay on her own. She does not qualify for Medicaid and at age 51 does not meet the requirements to qualify for Medicare.

To make matters worse, Shaun now has a \$7,000 hospital bill which she cannot pay. Shaun has already been struggling to pay for the nine medications she takes to combat asthma, emphysema, thyroid problems, and high blood pressure. She is able to buy two of the nine medications, but must rely on free samples she gets from her 70-year-old aunt who also suffers from asthma and emphysema.

Shaun doesn't know where to turn. She can't afford any more bills and doesn't feel the health care system is fair at all. "If we're sick we're out of luck. We need affordable health care for everyone," she wrote in her letter to me.

Despite her condition, Shaun is going to try and go back to work. She hopes that someone soon will give her some help.

Our country needs comprehensive health care reform so that people like Shaun with urgent health problems can have access to affordable health care, regardless of their financial means. I will do whatever I can to con-

trol rising health care costs and to make sure all Americans have health care coverage.●

#### AWARDING OF CHAPTER 1 NATIONAL RECOGNITION PROGRAM TO GRAND FORKS PUBLIC SCHOOLS

● Mr. CONRAD. Mr. President, I proudly rise to congratulate the Grand Forks public schools, Dr. Mark Sanford the superintendent of Grand Forks public schools and Mr. Larry Hoiberg, administrator of elementary education for the district. Last week, their innovative Riley/Chapter 1 supplementary reading program received a National Recognition Award by the Department of Education. The Grand Forks program was 1 of 89 outstanding programs that was recognized at a meeting of the International Reading Association in San Antonio, TX.

The Grand Forks program, aimed at grades one through six, is uniquely designed to provide students with the confidence needed to excel at reading. Each student receives individual contact with teachers through a 4-to-1 student ratio. The program creatively encourages parent involvement through the use of formal conferences, room visitations, parent surveys and service on a Parent Advisory Council.

Grand Forks and the other winning projects were selected from nominations submitted by individual States. The winning programs all combined high levels of teacher-student interaction and significant parent involvement.

I praise the students, teachers and parents of Grand Forks public schools for their hard work and dedication toward meeting the educational needs of our children and commend the Department of Education for honoring this program which was designed to ensure that underprivileged children will obtain the tools needed for a successful, and fruitful life.●

#### NATIONAL POLICE MEMORIAL DAY

● Mr. RIEGLE. Mr. President, May 15, 1993, is the 30th anniversary of President John F. Kennedy's declaration of National Police Memorial Day. Today, I rise to pay tribute to law enforcement officers who have given the ultimate sacrifice in service to our country, and our communities—their lives. In 1992, 116 police officers died, three in my home State of Michigan. One law enforcement officer's life was lost every 75 hours.

The three officers from Michigan who lost their lives last year were James R. DeLoach and Steven J. Niewiek, State troopers based in Pontiac, and James Thomas Kelly of Livonia. We honor them for their service and our prayers and sympathy go out to their families and friends.

Anyone who has worn a law enforcement uniform in service to this Nation deserves the utmost respect and admiration for their difficult and dangerous work as peacekeepers in our communities. It is therefore fitting that, as a nation, we pause and take time to remember and honor those brave men and women who have given their lives in the line of duty. And as a nation, we appreciate their courage, which must not be forgotten, and pay special tribute to their sacrifices, which can never be repaid.

This year will mark Michigan's first statewide observance of Police Memorial Day. Law enforcement officers across our State will wear small black bands on their badges to remember and honor their fallen fellow officers. In Midland, a public appreciation ceremony will be followed by a squad car procession to Bay City. In Bay City, a second ceremony will honor officers killed in the line of duty with the dedication of a new police memorial statue in front of the Bay County Law Enforcement Center.

Law enforcement officers serve the public every hour of every day of the year and their duties require considerable dedication and sacrifice on the part of the officers and their families. I would urge all Americans to pause and honor those law enforcement officers who have given their lives to our country, and who so bravely worked to protect our communities.●

#### MICHIGAN PARENT TEACHER ASSOCIATION

● Mr. RIEGLE. Mr. President, I rise today to recognize a very important organization in my home State, the Michigan Parent Teacher Association. Recently, the Michigan PTA celebrated 75 years of commitment to excellence in education at their 75th Silver Jubilee convention in Dearborn, MI.

The United States must compete in a global economy. Now, more than ever, it is important that our work force has the skills to participate in an increasing technological workplace. It is essential to the economic strength of our Nation that we provide the best possible education for all of our people beginning with our youngest children. Only when every American child has access to a high-quality education will they be able to develop their talents and skills which will help them to become productive members of society. A Federal commitment to education is essential to this effort. We must keep this in mind when we consider President Clinton's proposals to reform America's educational system later this year.

The PTA is an organization which has a strong record of working to strengthen our educational system. The nearly 100,000 members in Michigan have outlined several goals that

promote the welfare of children in the home, school, and community. Many times, the Michigan PTA has led the way on problems which face students in schools and also worked outside the educational system to address issues that confront children and youth in our local communities.

For example, in 1987, 8,000 students and parents participated in the first "Student Champions for No Drug Use" rally in Pontiac, MI. More recently, the Michigan PTA held a parent/family involvement summit which focused on how to strengthen our statewide effort to involve parents in all aspects of their children's education. This kind of commitment to the youth of this Nation is essential for America's future.

I would like to add my recognition and appreciation to the Michigan Parent Teacher Association for their many contributions to Michigan's educational system. They have a clear vision of what it takes to maintain our strong position in the world economy and help make Michigan a place where all children can learn to the best of their ability.●

#### BILL PLACED ON CALENDAR—H.R. 616

Mr. FORD. Mr. President, I ask unanimous consent that H.R. 616, the National Securities Exchange Transaction Act, received today from the House, be placed on the Senate calendar.

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

#### NATIONAL CORRECTIONAL OFFICERS WEEK

Mr. FORD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 58, a joint resolution designating National Correctional Officers Week and that the Senate then proceed to its immediate consideration, that the joint resolution be deemed read a third time, passed, and the motion to reconsider be laid upon the table, that the preamble be agreed to, that any statements relating to this measure appear in the RECORD as if given.

The PRESIDING OFFICER. Without objection it is so ordered.

The joint resolution was deemed read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 58

Whereas the correctional officers who work in America's jails and prisons are responsible for the containment and control of over 1,200,000 prisoners;

Whereas correctional officers must protect inmates from violence while encouraging them to develop skills and attitudes that can help them become productive members of society following their release;

Whereas the morale of correctional officers is affected by many factors, and the public perception of the role of correctional officers is more often based upon dramatization rather than factual review;

Whereas good job performance and public acceptance and appreciation require correctional officers to absorb the adverse attitudes present in confinement while maintaining themselves as professionals;

Whereas correctional officers have been honored by many States and localities;

Whereas correctional officers have been honored by joint resolutions of the Senate and House of Representatives of the United States in 1984, 1985, 1987, and 1989; and

Whereas the attitude and morale of correctional officers is a matter worthy of serious Congressional attention: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the weeks of May 2, 1993, and through May 8, 1993, and May 1, 1994, through May 7, 1994, are hereby designated as "National Correctional Officers Week". The President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe these weeks with appropriate ceremonies and activities.*

#### TESTIMONY BY AND REPRESENTATION OF SENATE EMPLOYEES

Mr. FORD. Mr. President, on behalf of the majority leader and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution authorizing testimony by Senate employees and representation by the Senate legal counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 106) to authorize testimony by and representation of Senate employees.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, *United States v. Thomas F. Weiss*, Case No. M-772-93, pending in Superior Court of the District of Columbia, is a misdemeanor prosecution for unlawful entry in which the defendant is charged with refusing on January 19, 1993, to depart, after having been requested to leave, the Capitol office of the Committee on Foreign Relations. Both the United States and the defendant are seeking the testimony of Senate employees. The following resolution would authorize testimony, except if a privilege should be asserted, and representation of Senate witnesses by the Senate legal counsel.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 106) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 106

Whereas, in the case of *United States v. Thomas F. Weiss*, Case No. M-772-93, pending in the Superior Court of the District of Columbia, subpoenas for testimony have been issued to Mary Jane Hatcher, David Hauck, Mary Beth Markey, Sandra Mason, and Ursula McManus, employees of the Senate on the staff of the Committee on Foreign Relations;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2)(1988), the Senate may direct its counsel to represent committees, Members, officers and employees of the Senate with respect to subpoenas or orders issued to them in their official capacity: Now, therefore, be it

*Resolved*, That Mary Jane Hatcher, David Hauck, Mary Beth Markey, Sandra Mason, and Ursula McManus, and any other employee of the Senate who is subpoenaed to testify, are authorized to testify in the case of *United States v. Thomas F. Weiss*, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is directed to represent Mary Jane Hatcher, David Hauck, Mary Beth Markey, Sandra Mason, and Ursula McManus, and any Member, officer, or other employee of the Senate who is subpoenaed to testify, in connection with the testimony authorized under section 1.

Mr. FORD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I now ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Friday, May 7; that following the prayer, the Journal of proceedings be approved to date; that the time for the two leaders be reserved for their use later in the day; that the Senate then resume consideration of the conference report accompanying H.R. 2, the National Voter Registration Procedures Act.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I have no objection, but I will indicate to the Senator from Kentucky that I have asked Senators on this side to be prepared to discuss motor voter legislation starting at 10 a.m. I guess we prob-

ably will have morning business from 9:30 to 10?

Mr. FORD. Mr. President, it is my understanding the agreement had been reached to start at 9:30 in the morning for up until 1 o'clock.

Mr. DOLE. Leader's time has been reserved, so we can work that out.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

THEO CRIBBS: DEDICATED WICHITA LEGISLATOR

Mr. DOLE. Mr. President, in Wichita earlier this week, State representative, Theo Cribbs, passed away after dedicating so much of his life to representing the people of his district.

His 19 years in the State legislature tells you a lot about his dedication. He represented his constituents—the workers, the families, the disadvantaged—and made them proud with his tireless efforts at the statehouse in Topeka. Not even a stroke could keep him out of action for too long. He fought against discrimination throughout his life and was a much-respected force in the African-American community.

I pass along my sympathies to his family, and to the people of his district.

OLIVE WHITE GARVEY: THE SAD PASSING OF A WICHITA GIANT

Mr. DOLE. Mr. President, the greater Wichita area is saddened with the passing of one of its most dedicated citizens.

With the death of community leader Olive White Garvey, Wichita has suffered a tremendous loss.

I was honored to call Olive Garvey a friend. I knew her and her family for many years, and was grateful for their support and encouragement. Olive was a successful businesswoman, and the ultimate volunteer, always using her winning personality and leadership skills to get things done for Wichita, whether it was the 4-H Club, local charities, the arts, her Center for Better Nutrition, or her devotion to her church. She leaves behind a legacy of caring and brilliance that will be difficult to match.

She is survived by 2 sons, 2 daughters, a brother, 18 grandchildren, and 41 great-grandchildren. You can include in that family the people of Wichita.

I send my prayers and sympathies to her family and friends. I will always remember her friendship.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. FORD. Mr. President, if there is no further business to come before the

Senate today, I ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 6:43 p.m., recessed until Friday, May 7, 1993, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 6, 1993:

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. THOMAS R. FERGUSON, JR. [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES A. FAIN, JR. [redacted] U.S. AIR FORCE. IN THE ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. ROBERT W. RISCASSI [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. CARL W. STINER [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. WAYNE A. DOWNING [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. GARY E. LUCK [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JAMES H. JOHNSON, JR. [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOHN P. OTJEN [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JAMES T. SCOTT [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. HENRY H. SHELTON [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. KENNETH R. WYKLE [redacted] U.S. ARMY.

